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Chairman: Mr. BURKE (Ireland)

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NATURAL DISASTER IN THE PHILIPPINES

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The meeting was called to order at 10.05 a.m.

AGENDA ITEM 82: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued)

(a) OPERATIONAL ACTIVITIES OF THE UNITED NATIONS SYSTEM (continued) (A/46/186 and Add.1, A/46/206-E/1991/93 and Add.1-4)

(b) UNITED NATIONS DEVELOPMENT PROGRAMME (continued) (E/1991/34 (Supplement No. 13) and Add.1)

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General debate (continued)

1. Mr. EDGREN (Assistant Administrator, Bureau for Programme Policy and Evaluation, UNDC) said that the United Nations Development Fund (UNCDF), whose portfolio of project commitments now amounted to about $700 million, operated chiefly in the least developed countries, through small-scale grant capital assistance - irrigation schemes, agricultural development, feeder roads, housing, water supply and sanitation, health clinics and schools, etc. - bringing the people of the least developed countries improved conditions of living and opportunities for economic and social development. The Fund's objectives were first to meet the basic needs of the lower-income population and, by providing opportunities for income generation, to encourage the spirit of enterprise and to contribute through formation of domestic savings to national investment and economic development of the country. It sought to ensure responsibility-sharing by beneficiaries of the running costs of the social infrastructure put in place. In all sectors of its programme, UNCDF would continue to build on that foundation to assist in achieving locally-directed, sustained development.

2. In the current state of world development, poverty was more widespread than ever and the list of least developed countries (LDCs) threatened to grow. In those conditions, the most appropriate vehicle for assistance was in the form of grants. The effectiveness of UNCDF's activities had been recognized frequently, for example at the Paris Conference of September 1990.

(Mr. Edgren)

In the Programme of Action adopted at that Conference donor countries had been called on to consider a 20 per cent annual increase in funding for UNCDF until the end of the decade. As a review of the 1991 Pledging Conference showed, that objective was far from being achieved.

3. Turning to the United Nations Volunteers programme (UNV), he said that it had become a key element of international technical cooperation as it supplied perhaps as much as 20 per cent of the long-term expatriate technical personnel serving in developing countries, especially in the LDCs. In some fields, such as agricultural development, health and education, and the reconstruction of a region after a crisis, its role might even be critical.

4. The typical volunteer, with advanced university training, long experience in developing countries and above all an unusual degree of personal commitment was able to play a complementary role to that of other technical cooperation personnel. The volunteers formed the crucial link between the policy-strategic level and the people those policies and strategies were intended to benefit, and they could provide technical and on-the-job training support to local administrators and technicians who had to deliver services.

5. The expansion of the United Nations Volunteers programme reflected the growing interest in it. With the nearly 2,100 volunteers in the field, the programme continued to expand, and it played a particularly important role in countries like Afghanistan and Namibia, which faced dramatically altered circumstances. That would certainly also be true for Cambodia.

6. The activities of the volunteers extended to every aspect of development but two areas should be pursued more actively: support to community-based initiatives in close collaboration with grass-roots organizations and emergency response activities.

7. With the increased concern for strengthening the national capacities of countries and making use of national talent, programmes should aim to encourage a mix of international and local volunteers to bring about the exchange of knowledge, ideas and skills, stressing the team approach rather than the earlier standard "counterpart" expert approach. The Participatory Development Programme of the United Nations Volunteers was particularly important in that respect.

8. The United Nations Volunteers programme had already begun to expand systematically its support for community-based initiatives, for example in helping local communities cope with the socio-economic impact of the HIV/AIDS pandemic or to develop programmes with the combined contributions of regular international organization personnel, United Nations Volunteers and grass-roots field workers to meet the basic needs of low-income communities - rural development activities in Lesotho, small-scale credit in the Gambia or support for women's initiatives in Pakistan. The traditional role of the United Nations Volunteers programme had been to assist in post-crisis

(Mr. Edgren)

rehabilitation and reconstruction (Afghanistan, Angola and Mozambique) and long-term relief capacity-building programmes, as in Ethiopia, but during the past year it had also intervened in emergency situations, in cooperation with other United Nations bodies. Thus, in Liberia, it had enabled the United Nations Disaster Relief Office (UNDRO) to manage its first field operation. It seemed clear that UNV would be called on increasingly to help in that area of emergency relief and rehabilitation and its potential role should be taken fully into account in the current debate about a coordinated structure in the United Nations system for emergency response.

9. Mr. GANTCHEV (Bulgaria) said that the operational activities for development were a key element in the efforts of the international community to give the recipient countries the capacity to revitalize their economies and achieve sustainable development. However, the goals of those activities had changed in the light of the profound changes now taking place in international life and the evolving international strategies for development. UNDP should therefore continue to adapt its programmes to the needs, objectives and priorities of Member States, and the confidence the Programme enjoyed from all would help it to meet the challenges of the 1990s.

10. The annual report of the Director-General (A/46/206 and Add.1) contained a comprehensive review of the measures adopted to strengthen the whole United Nations system of operational activities, and the efforts to strengthen the role of the Resident Coordinators and to synchronize the international efforts with national programmes were to be welcomed. UNDP's Governing Council, at its thirty-eigth session, had stressed that the principal goals of its future activities should be human development, the self-reliance of nations and the sustainability of development. As many delegations had pointed out, human development should become one of the key components of United Nations operational activities in the future. The Programme's efforts to promote entrepreneurship as a major factor for sustainable development, and the fact that it now had a Division for Private Sector in Development, were commendable. Environmental protection should also be a permanent task of UNDP programmes, particularly in countries in transition, as it could prevent further detrimental effects on the environment.

11. The growing number of emergencies and the increasing flows of displaced persons and refugees rendered more urgent the need to create economic and social conditions which would stem migratory movements. The operational activities of the United Nations could be useful in a planned and coordinated response to that need.

12. With regard to self-reliance, emphasis should be placed on strengthening the national capacity of recipient countries to deal with managerial problems, not only to benefit the different sectors of their economy (see UNDP decision 91/24), but also to create an economic climate conducive to change.

(Mr. Gantchev, Bulgaria)

13. UNDP activities in the next programming cycle should make broader use of the programme approach. He hoped that future support costs arrangements would improve the implementation of UNDP-funded projects by combining national execution with the considerable potential of the implementing agencies.

14. Bulgaria reaffirmed its support for the recommendations in General Assembly resolution 44/211. The Nordic project could contribute substantially to th success of that important undertaking.

15. Mr. SZEDLACSKO (Hungary) said that, after years of gradual development and systematic efforts to dismantle rigid structures, Hungary had progressed in an orderly transition to a popular democracy. As it had the necessary legal framework for a pluralistic society, it had been able to embark promptly on the establishment of a market economy. It was of vital importance that the countries of Central and Eastern Europe should succeed in their transition, as the political and economic stability of the continent would be thereby strengthened and those countries would be able to contribute to the prosperity of their partners. A tripartite cooperation system had accordingly been launched on the initiative of the Government of the Netherlands, which was helping Hungary to strengthen its ties with developing countries in the areas of science and technology and education. Preliminary results were encouraging and other Western European countries had shown interest in that form of trilateral cooperation.

16. While Hungary bore the burden of its own transition, the process would only succeed in a favourable external climate. Hungary therefore welcomed the adoption of decision 91/24 by the UNDP Governing Council and it looked forward to cooperation with all parties concerned in its implementation, particularly within the fifth programming cycle. The interrelated programmes implemented at the country and regional levels should focus on management skills, privatization, mitigation of the negative consequences of the transformation, the development of an information infrastructure and the environment. The success of those programmes depended on good coordination, utilization of national expertise and close consultation between UNDP and the Government, while the Government retained the main responsibility for the implementation of the programmes. It was particularly important to make rational use of the available funds, in view of the sharp drop in UNDP funds allocated for the fifth cycle to Hungary and to the region as a whole. Additional external resources would be required. Care should also be taken not to launch any programmes until the project documents had been signed by at least three countries.

17. Referring to General Assembly resolution 44/211, he said he hoped that consensus would be reached on a resolution concerning operational activities, which could form the basis for the comprehensive policy review in 1992. As human development was an essential aspect of development and of the operational activities of the United Nations, the UNDP report on the issue was extremely useful and Hungary welcomed the inclusion of the human freedom index, which should, however, be further refined.

(Mr. Szedlacsko, Hungary)

18. Hungary set great store by the fundamental principles of operational activities: universality, voluntary nature, neutrality and multilateralism. Despite the problems which it had to overcome, Hungary hoped to develop mutually advantageous relations with all countries and would not disregard the problems of the less fortunate nations. Events in Central Europe should not divert capital flows away from the developing countries. In that spirit, Hungary had increased by a third its voluntary contribution to United Nations activities for development.

19. Ms. THORPE (Trinidad and Tobago), speaking on behalf of the 12 members of the Caribbean Community which were members of the United Nations (Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago), said that operational activities for development played an important role for the small countries of the Caribbean Community, which were pursuing their development goals in the face of uncertainties in the world market and the erosion of their terms of trade. For them, technical cooperation remained of critical importance at all stages of development. There was no point at which countries should be penalized for attaining a certain level of development by being deprived of the benefit of operational activities. On the contrary, those activities should permit States to consolidate their progress and to pursue development in a context of democracy. As the world entered the Fourth United Nations Development Decade, it would be more appropriate to increase the resources assigned to technical cooperation for development, in view of the growing number of least developed countries or low-income developing countries and of the continuing needs of other developing countries. Part of the peace dividend resulting from the improvement in East-West relations should be channelled in that direction.

20. The dialogue on operational activities for development should draw inspiration from General Assembly resolution 44/211, which had been adopted in a climate of increasing support for the reform and revitalization of the economic and social sectors of the United Nations system to respond better to the needs of the developing countries. The consensus of 1970 (annex to General Assembly resolution 2688 (XXV)) and resolution 3405 (XXX) on the new dimensions of technical cooperation were, however, of continuing relevance. Governments had sole responsibility for the formulation of their national plans, priorities and objectives and for the integration into their national plans of activities financed by multilateral and bilateral assistance. Decisions 91/32 and 91/37 of the UNDP Governing Council represented progress achieved in the implementation of General Assembly resolution 44/211, in that they promoted a reorientation of the activities of the specialized agencies and called for increased national execution, since the resources assigned for administrative support had been cut to a minimum during the fifth programming cycle.

(Ms. Thorpe, Trinidad and Tobago)

21. The full benefits of the new agency support costs arrangements would only be felt if resolution 44/211 was fully implemented. Governments must be free to exercise their management and coordination responsibilities; the rules and procedures governing programming and project cycles must be simplified and harmonized; the programme approach must be further developed and, in the interests of greater self-reliance, national execution must become the norm; and the system of resident coordinators must be reappraised.

22. With regard to the Director-General's report (A/46/206), the countries of the Caribbean Community supported women's full participation in technical cooperation activities, both as agents and as beneficiaries. The Committee should give the Director-General further guidance for the next triennial review of operational activities, particularly in the areas of national execution, decentralization, programming, coordination, simplification, harmonization and the adaptation of rules and procedures. As concerned programming, the distinction between the programme approach and the project approach remained blurred in some parts of the system. A system-wide approach should allow interested States to provide for multilateral support in their national development plan; that would enhance the quality of the programmes executed. In respect of coordination, adequate machinery already existed at the policy level, but not in the field; such a mechanism might, however, take the form of a joint programming of the activities of the various United Nations bodies within the framework of the national development plan. That would minimize duplication and optimize the benefits derived from the comparative advantage of each of those bodies.

23. Mr. CAMARA (Food and Agriculture Organization of the United Nations (FAO)) referred first to the implementation of General Assembly resolution 44/211. Document A/46/206 left no doubt that progress had been made, particularly with regard to the field representatives network, national execution, national capacity-building and the role of women in development.

24. In FAO's case, the FAO Conference had adopted an important resolution on the organization's operational activities and future orientation. Many of the issues discussed were similar, if not identical, to those addressed in resolution 44/211. The high cost of a number of measures recommended in the resolution gave cause, however, for concern. Like other organizations, FAO had been experiencing budget shortfalls for several years owing to the failure of some Member States to meet their obligations in a timely manner and fluctuations in the dollar, and could not introduce new structures while its budget resources were falling.

25. The support costs successor arrangements for the fifth UNDP programming cycle would have serious implications for FAO, a question to which the Governing Council had decided to return at its May 1992 session. Through the Inter-Agency Task Force, the specialized agencies were attempting to define with UNDP the functioning of those new arrangements. Yet much remained to be

(Mr. Camara, FAO)

done before the new arrangements were implemented - the scheduled date was 1 January 1992 - inter alia because of the training that the new methodology would require.

26. One of the key elements of the new support costs successor arrangements was the expansion of national execution. The Governing Council had stressed in decision 91/27 that the process must be carried out in a cooperative spirit and in consultation with the agencies and the Governments themselves. Indeed, decision 91/27 requested the Administrator to develop, in consultation with the agencies and Governments, guidelines covering the promotion and support of that new modality. It therefore came as a surprise that in certain countries an effort was being made to introduce across-the-board national execution without the necessary consultation; that had created some confusion and threatened to prejudice the support costs arrangements. Agreement had, however, been reached on interim guidance.

27. The Secretary-General's report on developing human resources for development (A/46/461) set forth three aspects of the Organization's activities in the area: the new development approach, monitoring and operational activities. FAO itself had always sought to go beyond the "basic needs" approach to improve the nutrition and living conditions of rural populations and the production and distribution of agricultural products. That called for a transformation of rural life and activities in every respect and also for active participation by rural people in the design and implementation of policies concerning them. The FAO Conference must consider a plan of action in that area. Human resources development was also given priority in the FAO medium-term plan for the years 1992 to 1997.

28. With regard to monitoring, FAO was collecting and disseminating large amounts of statistical data.

29. FAO's operational activities focused on building national capacity through rural extension work, education and training. In 1989, 105,000 persons, one third of them women, had received training. That same year, FAO had organized 3,000 fellowships and more than 200 field projects. But owing to the persistence of rural poverty, the "human resources" factor continued to place a serious constraint on economic development. Although demand for human resources development services was high, resources for that purpose had been declining in the 1980s and would probably continue to do so, particularly on the African continent.

30. Finally, while gratified at the interest shown in World Food Day, FAO regarded the text on the subject that was being circulated as inappropriate. Firstly, World Food Day was not part of operational activities nor of human resources development; secondly, the FAO Conference itself had established the Day, and it was for the Conference to decide how it would be observed; and thirdly, organizations wishing to participate in the observance of World Food Day were invited to do so, and FAO would be pleased to provide them support.

31. Mr. SUCHMAN (Czechoslovakia) appreciated UNDP's efforts to adapt to the changed situation in international relations and supported all attempts to strengthen its central role in the United Nations system, particularly in the field of human resources development. In the view of his delegation, decisions taken at the thirty-eighth session of the Governing Council were encouraging, but did not go far enough. Attention must continue to focus on the process of reform in operational activities and on ways and means of implementing the ideas contained in General Assembly resolution 44/211. The time had come to revitalize multilateral cooperation, and it was important to recall in that context the recommendations contained in the final report of the Nordic project.

32. The reform of operational activities implied a systematic decentralization and greater coordination of development activities in order to avoid duplication. In particular, it was essential to avoid endless evaluation missions, which slowed the implementation of development activities and absorbed considerable human and financial resources. Since countries had not all reached the same levels of economic and social development, development programmes could not be conceived in purely general terms. The needs of middle-income countries were very different from those of countries at a low development level. It was therefore necessary to categorize countries according to level of development, and the level of IPF should be a function of those categories. In the Human Development Report 1991, an effort had been made to improve the human development index, despite the difficulties of obtaining comparable data for all Member States. Development, democracy and human rights were closely linked, and for that reason, the next issue of the report should consider living conditions when calculating the human development index.

33. National execution of projects and programmes was an important aspect of resolution 44/211. The issue was closely linked to UNDP's increased involvement in national capacity-building and the implementation of the support costs successor arrangements. IPF allocations should be used as "seed money capital" to attract additional funds from donors.

34. UNDP would have the opportunity with regard to the countries of Central and Eastern Europe to demonstrate its ability to convince the donor community that the proposed regional and national projects aimed at assisting the transformation of the economies in transition would benefit the recipient countries and would be implemented effectively as a result of its efforts. The preparation of a regional programme for Europe had shown how complex and delicate the issue was, since lack of modern market-oriented management systems and problems associated with the transition period made preparation of national and regional development projects difficult. Consequently the European regional office of UNDP should be strengthened and moved to the region; UNDP's field offices in Europe also required strengthening.

35. Mr. FLORES (Mexico) endorsed the statement which had been made by the representative of Ghana on behalf of the Group of 77. He added that changes in the international political environment had not been accompanied by similar changes in the area of international economic cooperation which was of such vital importance to the developing countries. The grave economic, social and technical inequalities which existed between countries could be reduced only through collective action, which required more effective international cooperation in all areas. The Mexican Government attached great importance to operational activities, which provided a very welcome reinforcement of national efforts. In the Declaration on International Economic Cooperation (General Assembly resolution S-18/3) and the International Development Strategy for the Fourth United Nations Development Decade, the international community had established guiding principles for cooperation. His delegation expressed its concern at certain recent trends which appeared to indicate the existence of a desire to impose political conditionalities on international cooperation which would hinder efforts to strengthen the capacity of Governments to plan, control and coordinate external technical assistance and would conflict the right of each country to determine its own economic policies. It was to be hoped that operational activities would remain free of such pressures and would continue to be implemented in accordance with the wishes of the beneficiary countries, in conformity with the general principles set out in the consensus of 1970.

36. Furthermore, the disparity between requirements and the resources available for operational activities was growing. The industrialized countries, whose contribution did not reflect their vast potential, should increase their support for operational activities, which ultimately contributed to international economic growth. Operational activities should be adjusted to the changing circumstances and different requirements of the developing countries. It was very important that the amount of assistance provided to the least developed countries be increased without there being a corresponding reduction in the amount of assistance provided to the other developing countries.

37. The present reform of the economic and social sectors of the United Nations had implications for the question of operational activities. A number of proposals had been circulated and Mexico was fully prepared to consider them, the main objective being to strengthen operational activities while observing the principles of universality and neutrality and the voluntary nature of assistance. The consensus of 1970 (General Assembly resolution 2688 (XXV), annex) and resolution 44/211 remained the relevant frame of reference and the restructured Economic and Social Council was the appropriate forum in which to determine the orientation of operational activities. The idea of a reorganization of the governing bodies and of the existing system of financing should be looked at carefully. The problem in fact was not so much the size of the governing bodies but rather their composition, which was sometimes seriously unbalanced, and their working methods, which sometimes conflicted with the resolutions of of the General Assembly and of the the Economic and Social Council.

38. Mr. RYSINSKI (Poland) observed that the economic and social sectors of the United Nations were about to enter a new phase of their development. The change in international relations made reforms which were already long overdue even more urgent. Operational activities must not be left out of the overall restructuring process and must be made more relevant and effective, and they might prove more amenable to modification than many other elements of the United Nations system, precisely because of their universal, voluntary, technical, neutral and multilateral character. Their contribution to the economic development process was unequaled. The proposals which had been put forward by the Nordic countries, in particular with regard to the creation of an international development council and the improvement of governance, had set the right tone for the discussions. Operational activities should foster within the United Nations system a spirit of managerial efficiency. The debate on operational activities should continue to be conducted on the basis of General Assembly resolution 44/211 and the international community should strive to maintain the momentum which had been generated by that resolution. The interests of all groups of countries must be taken into account and the questions of universality and plurality should not be subsumed within North-South issues.

39. Aside from traditional issues, the questions to be tackled included transition, systemic transformation and the management of development and crises in times of accelerated change. In that regard, UNDP Governing Council decisions 91/11 and 91/24 on the role of the private sector in development and on technical cooperation in the transformation of Eastern European economies testified to the emergence of a common perspective on technical cooperation questions and might provide a source of inspiration for other organizations and a new focus for the operational activities of the United Nations. He commended UNDP for its spirit of innovation and UNICEF for its contribution to the implementation of the decisions of the World Summit for Children.

40. The viability of operational activities would depend on the ability of the United Nations system to adapt to a changing world. Specifically, support must be provided for resident coordinator functions and authority must devolve on the field offices, in light of local requirements. In addition, regional offices must be set up within the regions concerned. Furthermore, national capacities development and use should be established as a prime objective of operational activities.

41. The human development concept, which had originated within UNDP, required further analysis in all its dimensions - economic, social and political. That concept offered a means of drawing together all the major problems of development and placing them within a wider perspective. It also lay at the heart of the reform process within the United Nations. In order to avoid stagnation new blood must be brought in through a more balanced and equitable representation; that would also serve the needs of underrepresented countries such as Poland.

42. Mrs. TIKANVAARA (Finland), speaking on behalf of the Nordic countries, said that economic growth in itself was not enough to eradicate poverty or ensure broad-based development. It was currently recognized that people were at the very heart of the development process and that human resources development was critical to sustainable development. That meant implementing suitable policies in the fields of health, nutrition, housing, population, environment and education. The UNDP Human Development Report was a very important step since it provided guidelines for introducing human resources development into the overall development planning process. UNDP would thus play an increasingly important role in that area.

43. The challenge henceforth was to elaborate policies and programmes for human resources development. At the national level, it meant setting priorities and deciding how to allocate resources among the various sectors so that they were used most efficiently. Military expenditures, in particular, should be reduced to the minimum required for security in order to free resources for development purposes. Austerity measures must not affect the fields of education and health, which were essential for the resumption of growth.

44. At the international level, priority areas for development cooperation under multilateral and bilateral programmes should be defined or redefined. Much remained to be done, in particular with regard to the implementation of policies and the quality of aid. In that connection, she welcomed the recommendation of the Development Committee of the World Bank concerning united aid.

45. The Nordic countries had noted with great interest that the Director of the Division for the Advancement of Women attributed the failure of traditional development policies to overcome poverty to the fact that they had not taken into account the economic and social role of women. The experience of the Nordic countries showed that a better standard of living was linked to increased involvement of women in political and economic life coupled with opportunitites for women in respect of education, social services, legal rights and property. It was therefore essential for human resources development policies to incorporate women fully into that process.

46. The dismantling of ideological barriers, the end of the cold war and progress in the field of disarmament had raised new hopes. However, lasting peace and security could be achieved only when the necessary economic, social and environmental conditions were in place and when democracy and respect for human rights prevailed throughout the world.

47. The attainment of development objectives also demanded decentralization and the participation of all people in decision-making processes. That should be accompanied by accountable government, impartial judiciary and respect for fundamental freedoms. Democracy and pluralism and the implementation of economic policies which took market forces into consideration and stimulated private enterprise were essential to the full development of the individual and the unleashing of people's creative potential. That was the ultimate goal of human resources development.

48. Mr. SINGH (Fiji), recalling the vital role played by the United Nations in the development process, said that despite the very substantial progress made thus far, economic stagnation continued in most of the severely indebted countries, where the rate of population growth was higher than that of economic growth and where poverty and AIDS were taking on alarming proportions. It was therefore imperative for the United Nations to step up its operational activities in order to provide support for the efforts of those countries to solve their problems; moreover, the developed countries must honour their commitment to allocate 0.7 per cent of their gross national product to official development assistance including 0.15 per cent of GNP to the least developed countries.

49. The UNDP Human Development Report stated clearly that people were at the heart of the development process. It was, however, unfortunate that no composite human development index had been established for small countries, such as Fiji, with a population of under one million.

50. It was precisely because it was a small country that Fiji considered human resources development to be fundamental. Policies in that area were designed to improve the quality of life of the entire population; various programmes were under way to raise the level of education and improve health services and to assist the most disadvantaged population groups, particularly in rural areas. His Government was also committed to ensuring the full participation of women in the development process and had established various mechanisms for that purpose. It greatly appreciated the efforts of the secretariat of the Economic and Social Commission for Asia and the Pacific (ESCAP) to implement the Jakarta Plan of Action.

51. Several international strategies had been adopted in 1990 to guide the work of the United Nations system. United Nations organizations had a major role to play in reviewing and appraising the progress made in implementing those strategies; some of them were already undertaking a review of their own structures, operations and procedures so that they might fulfil their mandate more effectively. He hoped that the others would do likewise.

52. In view of the complexity of the issues with which the developing countries were faced and the overlapping functions of the various organizations and specialized agencies within the United Nations system, duplication was inevitable. None the less, efforts should be made to continue examining ways to set up collaborative programmes by adopting a mulidisciplinary approach. United Nations organizations should attempt to achieve greater coordination of their activities and strive for a more efficient division of labour based on their technical abilities while the responsibility for developing multidisciplinary programmes lay primarily with the Governments of the countries concerned, resident coordinators should, through regular consultations, help determine how best to address the substantive needs. Only in that way could operational activities be brought in line with the priorities defined by Governments.

(Mr. Singh, Fiji)

53. His delegation looked forward to the comprehensive triennial policy review of operational activities for development, which would point the way to further measures for achieving full implementation of the provisions of General Assembly resolution 44/211.

54. Mr. MACARTHUR (United States of America), referring to the UNDP Governing Council's decisions on national execution and support costs successor arrangements, said that they provided an incentive for developing countries to assume increasing responsibility for project management and accountability and for sectoral agencies to strengthen their analytical and technical support of UNDP-assisted programmes and projects. They also provided a policy framework for improving United Nations system assistance to developing countries in strengthening their national capacities to formulate and implement development programmes.

55. However, those decisions constituted only a starting point in the slow and arduous implementation process that would take a number of years to complete and which should be accompanied by consultations between UNDP, the major sectoral agencies and Governments. The reform process would clearly not be completed by the time the new triennial policy review of operational activities for development was begun. Only a very preliminary assessment of its results could be made at that time. Continuous monitoring would be required during the next triennial review, including annual reviews by United Nations governing bodies and the Consultative Committee on Substantive Questions (Operational Activities) (CCSQ/OPS), as well as in-depth evaluations at the country level. That was especially important since, at the forthcoming triennial review of operational activities, other basic questions, such as governance, coordination and financing of development and humanitarian assistance and the relationship between development and environmental concerns were likely to overshadow questions of coordination.

56. Thus it was important at present to ensure that UNDP, its major sectoral partners and Governments would evolve new modes of cooperation which were well adapted to the needs of each country and made effective use of those new approaches regarding support costs, national execution, national capacity-building assistance and the programme approach. The success achieved in those areas would affect the ability of UNDP to cooperate with other United Nations agencies which traditionally had not had a close relationship with UNDP.

57. His delegation fully supported national execution and the progressive transfer of responsibility for administrative and operational project support. However, that transfer must be accompanied by a build-up of national capacities and necessitated more effective capacity-building assistance by the United Nations system. During the transition period, which would take some time, it was essential to make optimum use of the agencies' administrative and operational support capacities in order not to drain the regular budget of the major sectoral agencies and thus the overall resources of the system.

(Mr. Macarthur, United States)

58. He was particularly concerned that, under the guise of national execution, central government units were being established with UNDP field offices support, specifically for the purpose of providing administrative and operational support to UNDP-funded projects. That was not an effective way to build up national capacities, particularly if it actually diminished the role of sectoral ministries in project implementation. He therefore called for greater collaboration within the United Nations system.

59. The effectiveness of the Resident Coordinators depended on the existence of a spirit of cooperation among country representatives of the United Nations system. His delegation was pleased with the results of the training workshops organized by ILO at Turin and followed up by national workshops involving both Government and United Nations system officials. The triennial review would provide an opportunity for an assessment of those workshops and for other measures to strengthen country-level cooperation and coordination. It would also provide information on the factors responsible for the lack of progress in other areas, such as decentralization of the major sectoral agencies' programme support capacities to the country level.

60. In conclusion, he said that greater integration of United Nations development activities at the country level would not only better meet the needs of the developing countries, but would also eliminate duplication of functions, reduce costs and increase the efficiency of United Nations assistance.

61. Mr. BURLESON (United Nations Educational, Scientific and Cultural Organization) said that the great progress achieved in disarmament and the new élan of democracy led him to believe that the stagnation which most developing countries had encountered in the 1980s was a thing of the past and that new opportunities for socio-economic progress were opening up. In the years ahead, the biggest challenge would be to ensure economic development, now hampered by the debt crisis, while encouraging progress in social areas. Those two must go together.

62. The Secretary-General's report on the implementation of resolution 44/211 gave a lucid picture of what the United Nations system had done and was planning to do with respect to enhancing national participation in every facet of development cooperation, provision of technical support and advice at the country level and collaboration with national specialists in the elaboration of a programme approach.

63. The Executive Board of UNESCO had unequivocally endorsed those major policy moves and despite the constraints on the staff and resources of UNESCO caused by the absence of two among the most important Member States of the United Nations, had moved ahead in the implementation of resolution 44/211. UNESCO had launched an ambitious training scheme for all field staff, accentuating their collaboration within the United Nations development system, and had been an active participant in the workshops organized by ILO at Turin. Headquarters-to-field staff rotation had been reworked in a way that

(Mr. Burleson, UNESCO)

had strengthened the development cooperation capacities of its field staff. Finally, new administrative units had been created to reinforce the lines of communication between field and headquarters staff and to enable UNESCO to advise UNDP and recipient countries with respect to the elaboration of sector-level policies and strategies. All that bore witness to the desire of UNESCO to promote inter-agency collaboration and enhance its role in operational activities within the framework of national capacity-building.

64. The triennial policy review of the operational activities of the United Nations system should cover the main policy directions outlined in resolution 44/211, as well as other issues which had come to the fore since that resolution had been adopted. Regarding the importance attached by UNDP to national execution for the fifth programming cycle, members of CCSQ/OPS had pointed to the need for clear guidelines on the respective roles of UNDP, United Nations agencies and Governments and a clear definition of the respective roles of UNDP and other agencies in the execution of projects and programmes by Governments.

65. The new support cost arrangements had been the subject of productive consultations, which had recently made it possible to adopt a set of support cost instructions. There was now a need to agree on guidelines for national execution. A first draft of such guidelines would shortly be submitted to the Governing Council of UNDP.

66. Mr. WISIBONO (Indonesia) said that his delegation supported the statement by the representative of Ghana on behalf of the Group of 77 and stressed that, given the economic difficulties of most developing countries, an early resumption of economic growth was crucial. Since operational activities for development were an important part of the Organization's work, their effectiveness must be strengthened. In that connection, a consensus resolution would impart new momentum to the reforms undertaken pursuant to General Assembly resolution 44/211. The operational activities of the United Nations system also took place within the general framework of a number of recent documents, including the Declaration on International Economic Cooperation and the International Development Strategy. The objective should be the translation of such international objectives into concrete action for development.

67. The report of the Director-General (A/46/206) outlined many of the economic difficulties that necessitated concerted action by the United Nations system and the first practical steps taken in that direction. Notwithstanding those advances, the operational activities of the United Nations system continued to face a broad array of problems, the most pressing of which was that of adequate resource allocation. Although the issue had been squarely broached in General Assembly resolution 44/211, the recent pledging conference had not reflected the urgent need for an increase in available resources. His delegation believed that, rather than being diverted towards such new themes as entrepreneurship, donor countries should meet the agreed target of 0.7 per cent of GNP for their official development assistance.

(Mr. Wisibono, Indonesia)

68. Another challenge for the operational activities of the United Nations system in the 1990s was the eradication of poverty, which necessitated a resumption of economic growth, effective population programmes, national capacity-building and government execution, which were undoubtedly cornerstones for effective operational activities.

69. His delegation fully supported the contention that operational activities should emphasize the human dimension of development and the need to reach the poorest and most vulnerable sections of society. In that context, the UNDP Human Development Report 1990 was a valuable contribution. However, the Human Freedom Index had no place in the publication because it ran counter to the spirit and letter of Governing Council decision 90/13 and to the consensus of 1970, as well as to General Assembly resolution 44/211, and because it was based on arbitrary criteria which were insensitive to differences in traditions and cultures. Moreover, the Index did not reflect the true scale of the problems affecting the developing countries and could lead to the diversion of attention from more serious issues, such as the adverse international environment and the asymmetry of global economic relations. Lastly, it was regrettable that the recipient countries had not had an opportunity to present their development priorities and concerns.

70. A further challenge for the operational activities in meeting the requirements of development was that of efficient coordination. Attention should therefore now be focused on the follow-up and implementation of resolution 44/211 at country level and at the level of the United Nations system. In that regard, his delegation had been encouraged by the steps taken to strengthen the role of resident coordinators. Likewise, measures to increasingly use national capacities, to expand national execution, and to delegate greater responsibility to the field were indeed overdue.

71. In addressing the new and persistent challenges confronting the developing countries, it was important not to lose sight of the basics, namely, the imperatives of the consensus of 1970, which underscored the fundamental characteristics of operational activities for development: universality, multilateralism, neutrality, and the grant nature of assistance. Those characteristics should be further enhanced especially since operational activities were expected to play an increasingly important role in the years ahead.

72. As the Director-General had warned, unless the reforms called for by the General Assembly in resolution 44/211 and by other intergovernmental bodies were carried forward with diligence and vigour, the contribution of operational activities to overcoming the problems of poverty, human development and sustainable economic growth would not be adequate to the challenge.

73. Mr. Al-QASIHI (United Arab Emirates) said that, while the Emirates supported the decision of the UNDP Governing Council to eliminate its indicative planning figure, it would not approve of the closing of the UNDP regional office, since it was still a developing country and needed the technical skills available from the Programme. The Emirates attached great importance to the Gulf Coordination Group as well as to the need to implement the programme aimed at revitalizing economic, social and environmental development in those countries affected by the crisis. In that regard, the Emirates attached particular importance to the marine environment of the Gulf and looked forward to receiving assistance, especially in the area of training.

74. On the question of human development, the Special Unit for Technical Cooperation among Developing Countries should remain under the direct authority of the Administrator of UNDP. UNICEF, for its part, had launched the concept of development with a human face and had sensitized countries to the importance of the questions of the elderly, children and women.

75. Turning to the 1991 World Bank report on global development, he supported the two-pronged strategy (promotion of economic development and provision of basic social services), as well as the conclusion in the report that technological progress was the engine of development, and expressed the hope that the Bank would contribute still further to the transfer of technology.

76. While welcoming the UNDP Human Development Report 1990 in so far as it emphasized that the real purpose of development was to enlarge people's range of choices, his delegation had serious reservations with respect to the second report, published in 1991: the concept of human freedom was all the more questionable as, by introducing that index, UNDP had skipped over several stages. Moreover, blaming the lack of progress on the absence of political will rather than on the lack of financial resources was inconsistent with the actual situation of the developing countries. Indeed, such a simplistic conclusion took no account of exogenous economic factors, such as the protectionist barriers which the developed countries erected against exports from the developing countries.

77. The Emirates was aware of the relationship between human and economic development and attached great importance to the question. Accordingly, it had reduced to 25 per cent the rate of illiteracy which, at the country's accession to independence, had been 80 per cent.

NATURAL DISASTER IN THE PHILIPPINES

78. Mr. GUERRERO (Philippines), referring to the landslides which had resulted in at least 3,000 deaths and destroyed the dwellings of 30,000 families, thanked delegations for their expressions of solidarity and announced that he would submit a draft resolution on the question since the Philippines was incapable of facing alone the consequences of the disaster.

The meeting rose at 12.40 p.m.

UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

SECOND COMMITTEE
37th meeting
held on
Friday, 8 November 1991
at 3 p.m.
New York

SUMMARY RECORD OF THE 37th MEETING

Chairman: Mr. BURKE (Ireland)

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The meeting was called to order at 3.10 p.m.

AGENDA ITEM 82: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued) (A/46/3, 344, 501/Rev.1 and 520; A/C.2/46/7)

(a) OPERATIONAL ACTIVITIES OF THE UNITED NATIONS SYSTEM (A/46/186 and Add.1, A/46/206-E/1991/93 and Add.1-4)

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AGENDA ITEM 88: HUMAN RESOURCES DEVELOPMENT (continued) (A/46/336, 344, 461, 501/Rev.1, 520 and 579)

1. Mr. SINGH (India), referring to the report of the Director-General for Development and International Economic Cooperation on operational activities for development (A/46/206, annex), stressed the serious economic difficulties still confronting many countries. In particular, the more vulnerable groups - women and children - would require considerable support before they were able to make their contribution to society. Official development assistance (ODA) channelled through operational activities of the United Nations system should serve primarily to meet the needs of those deprived groups and build the infrastructure in developing countries. Efforts must also be made to focus operational activities on those sectors which did not attract ODA and had no access to funding from multilateral, bilateral and private institutions.

2. Decentralization was a key theme of General Assembly resolution 44/211; however, decentralization must not be viewed as an end in itself but as a means of strengthening national execution and expediting project delivery. The cursory treatment which national execution had received in document A/46/206 was disappointing. The subject merited much fuller consideration. His delegation welcomed the Director-General's recognition of the need for a partnership in which the United Nations system would ultimately play only an advisory or technical backstopping role. Attention must also be devoted to simplification and harmonization of procedures within the United Nations system.

3. The approach of various agencies towards procurement from developing countries was also disappointing for procurement could spur the development of national capacities. His delegation welcomed the attention being devoted to the question by the Joint Consultative Group on Policy and the Inter-agency

(Mr. Singh, India)

Procurement Working Group. However, the entire process must be strengthened and monitored more effectively.

4. His delegation agreed with the proposals contained in the report of the Secretary-General on developing human resources for development (A/46/461), and supported, in particular, his statement that the international community should think less in terms of conditionalities and more in terms of an improved aid relationship (para. 108). The new emphasis on improving the quality of life, as opposed to mere growth in per capita gross domestic product, was a welcome change. Caution should be exercised, however, in any effort to develop universally applicable indicators, since the relative importance of individual sectors in each country was largely a product of national history and tradition. In conclusion, it was to be hoped that donor countries would step up their efforts to meet ODA targets, even in the current difficult economic times. India, which itself was wrestling with major economic hardships, had managed to maintain the level of its contributions to certain United Nations agencies and even to increase its contributions in some cases.

5. Mr. KRAVETZ (El Salvador), speaking on behalf of the six Central American States - Costa Rica, Guatemala, Honduras, Nicaragua, Panama and El Salvador - said that many of the issues highlighted by the World Bank in its World Development Report 1991 - health, education, the reduction of population growth and human resources development - were of concern to the Central American countries too. In particular, they agreed with the Report about the role of education in cultivating an entrepreneurial spirit and the impact of rapid population growth on economic growth prospects, human well-being and the environment.

6. Human development depended not only on the policies of individual ministries, but on broader national strategy and the existence of an enabling legal framework. Human resources development would be a major topic of discussion at the forthcoming meeting of Central American Presidents to be held in Tegucigalpa, Honduras, on 13 and 14 December 1991. In preparation for that meeting, Central American Governments were formulating national plans of action whose theme was "human development, children and youth", and which addressed a broad range of issues such as child mortality and malnutrition, maternal mortality, illiteracy, unemployment, lack of income and underemployment, and environmental degradation. The plans of action were to review changing national situations over the past two decades; establish priority themes, such as health, primary education, drinking water, the development of new skills, erosion and deforestation; and describe short-term national strategies and goals. It was hoped that such action plans would facilitate the adoption of regional measures for human resources development.

7. The Central American countries agreed with the Secretary-General that children and women were exposed to hardships, that human resources were the key to development itself and that spending on health and education was an

(Mr. Kravetz, El Salvador)

essential investment in the future of any country (A/46/461, para. 2). The United Nations system had contributed to human resources development in a number of ways. First of all, there were the publications of the various agencies, particularly the laudable Human Development Report (A/46/461, para. 28), which eloquently called for people-centred development. The United Nations also played an important role in supervising and evaluating social development and, through its operational activities, contributed substantial resources in support of human development. Particularly noteworthy was the systematic emphasis of operational activities on developing national capacities so that programmes and projects could become self-sustaining. The Central American countries welcomed, in particular, the World Bank's intention to focus its development strategy on investments in human resources in the 1990s and the news that commitments for human development lending had increased between 1987 and 1990 (para. 87).

8. Referring to the conclusions contained in the report of the Secretary-General, he said that successful inter-agency cooperation within the United Nations system had demonstrated the value of joint efforts. In Guatemala and Honduras, for example, UNDP and the International Labour Organisation (ILO) had collaborated on projects to eradicate poverty through the creation of opportunities for micro-entrepreneurs. Support for the work of non-governmental organizations, particularly local NGOs, and direct community participation projects were also of vital importance in human development efforts. The Central American countries hoped for greater cooperation in the financing of development and, in that connection, agreed with the Secretary-General that conditionalities should be de-emphasized in favour of improved aid relationships founded on mutual trust. They also agreed that the United Nations could help to build confidence by organizing special meetings and consultations among interested parties.

9. Referring to General Assembly resolution 45/191, he said that the brain drain was particularly acute in Central America and expressed the hope that the problem would be addressed in a future report by the Secretary-General.

10. The Central American countries were deeply concerned by the Secretary-General's statement (para. 118) that the financial situation in many donor countries was not likely to allow a significant increase overall in resource inflows to organizations of the United Nations system and that the main emphasis would have to be on making development assistance more efficient and effective. The national plans of action being formulated testified to the redoubled efforts which the Central American countries were making to accelerate human resource development. It would be disappointing indeed if, just as they were entering a crucial phase in the consolidation of peace and democracy and revitalization of economic growth, they were to find that the additional international cooperation they needed in order to achieve their objectives was not forthcoming. They trusted that that would not be the case.

11. Ms. STOKES (New Zealand) said that as peoples became more outward-looking, they had greater aspirations to a better life, but the state of the world economy had shrunk the pool of resources needed to meet such enormous global challenges as trade inequalities, the debt burden, drug trafficking and the environment. Paradoxically, while the political role of the United Nations had become more effective, economic and social activities were lacking in vitality. Certain United Nations operational activities and bodies had indeed been streamlined, but the pace of reform had been uneven. In particular, there had been excessive duplication of effort and bureaucracy in responding to emergency situations. As a country which had restructured its own public sector in recent years, New Zealand understood that the fragmented structure of operational activities at the United Nations must be transformed into a cohesive machine and available resources used more effectively.

12. General Assembly resolution 44/211, which had been so carefully crafted, had sent a clear message on how development activities should be implemented. Her delegation fervently hoped that a concise resolution would be adopted at the current session - one that would serve as a blueprint for further action and could be easily followed up by the session of the Economic and Social Council and the comprehensive triennial policy review in 1992. The focus on people-centred development and the financing of human development in the UNDP Human Development Reports of 1990 and 1991 respectively, was commendable. Her delegation appreciated the role of UNDP in the South Pacific, where growth performance in island developing countries had been weaker than in most other regions of the world. None the less, it agreed with the representative of Fiji that some difficulties remained regarding coordination. In conclusion, her delegation welcomed the determination of UNDP to proceed in the spirit of resolution 44/211, and the consensus which reigned in the Governing Council on agency support costs and national execution. The financial contribution of New Zealand to UNDP reflected its continuing support for the Programme's role as the central funding mechanism of the United Nations system for technical cooperation.

13. Mr. SOUMPHOLPHAKDY (Lao People's Democratic Republic) said that the operational activities of the United Nations system played an important role in assisting the development efforts of developing countries, and additional resources were urgently needed to ensure the continuation and expansion of such activities. Unfortunately, the results of the recent United Nations Pledging Conference for Development Activities had not fully met the expectations of the developing countries.

14. Significant progress had been made in making operational activities more effective in helping developing countries promote economic development and achieve self-reliance. In order to improve technical assistance, the relevant bodies and agencies of the United Nations system should endeavour to coordinate their activities, taking into account the priorities and specific circumstances of recipient countries. The shift from a project approach to a programme approach should result in greater emphasis on national and international prioritization in operational activities.

(Mr. Soumpholphakdy, Lao People's Democratic Republic)

15. His delegation supported efforts to promote national execution. However, since that modality was relatively new, a careful and gradual approach should be adopted. The United Nations system should increase its assistance to recipient countries in the areas of programme implementation and management training. Detailed and simplified rules and procedures for the promotion of national execution should be established in order to strengthen recipient countries' indigenous executing capacities.

16. As the lead agency in convening round-table meetings, UNDP had played an active role in overall resource mobilization and, in many cases, had succeeded in attracting cost-sharing and co-financing contributions. His delegation highly appreciated UNDP's initiative to convene a fourth round-table meeting in the Lao People's Democratic Republic early in 1992.

17. His delegation was pleased at the successful conclusion of the fourth country programme and it was in favour of the idea of concentrating resources for the fifth country programme in three key areas, namely, support for the new economic mechanism, improvement and expansion of physical infrastructure, and human resources development. When translated into specific projects, those major themes should involve close consultations between UNDP and recipient Governments in order to ensure that the projects were feasible and relevant to the actual conditions in the field.

18. While his delegation supported the fundamental principles contained in the Human Development Report 1991, it shared the views of many other countries that the human freedom index was unacceptable because it was both inaccurate and inappropriate for inclusion in a UNDP report.

19. During its 25 years of existence, the United Nations Capital Development Fund (UNCDF) had played a unique role in the multilateral financing system. At the Second United Nations Conference on the Least Developed Countries, the international community and the multilateral financial development institutions, in particular UNCDF, had been urged to provide substantial and adequate support to complement the efforts of the least developed countries in the area of investment and infrastructure maintenance. His delegation supported the proposal that donor countries should consider a 20 per cent annual increase in overall funding until the end of the decade.

20. The World Food Programme (WFP) was a major source of multilateral grant assistance to low-income, food-deficit countries, and it had become a major part of the operational activities of the United Nations system. His delegation welcomed the decision to maintain WFP as a joint programme of the United Nations and the Food and Agriculture Organization of the United Nations (FAO), and supported the recommendation to include in the draft revised General Regulations of WFP a provision for the Secretary-General to draw on WFP in providing humanitarian relief assistance.

21. Mr. THONG (Viet Nam) said that the very impressive agenda of the United Nations in the area of operational activities for development reflected the international community's resolve to confront the obstacles to development and responded to the need for the industrialized countries to increase their official development assistance. It was therefore unfortunate that resources for operational activities had hardly increased in real terms and that the results of the recent United Nations Pledging Conference for Development Activities had not met the expectations of the developing countries.

22. In view of their increasing importance in helping to revitalize the development process in the developing countries, the operational activities of the United Nations system should be appropriately reformed on the basis of General Assembly resolution 44/211. The ultimate goal of multilateral technical cooperation was to help the developing countries help themselves, and his delegation fully shared the view that national execution deserved high priority. However, the speed and scope of application of national execution must be accompanied by increased assistance from United Nations agencies in the area of management training and institution-building in recipient countries. The harmonization and simplification of the rules and procedures of United Nations operational activities could facilitate the better use of national capacities in all aspects of programme and project planning and implementation. Decentralization measures and the enhancement of the authority of field representatives with regard to project approval and selection of execution modalities would enhance the effectiveness of the Organization's response to country-specific needs and circumstances.

23. As the central funding agency for technical assistance of the United Nations system, UNDP had a vital role to play. The programme approach recently adopted by the UNDP Governing Council provided a good basis for better allocating the limited resources available to high-priority areas. While his delegation supported the concept of the human development dimension in the development process, it considered that the human freedom index contained in the Human Development Report 1991 was inaccurate and irrelevant to the acute concerns of developing countries in their arduous struggle to free their peoples from grinding poverty, backwardness, hunger, disease and early death.

24. The cooperation of Viet Nam with United Nations agencies had been characterized by increasing growth and mutual trust. The assistance provided by UNDP in Viet Nam's economic reform process had brought about important and encouraging results, and the cooperation of WFP with Viet Nam in the areas of emergency food aid and food-for-work development projects had been highly fruitful. The United Nations Population Fund (UNFPA) had helped Viet Nam to slow reducing the pace of population growth and increased national awareness of the relationship between population and development. The United Nations Children's Fund (UNICEF) had benefited millions of Vietnamese children and mothers, particularly in remote areas of the country.

25. Mr. KABIR (Bangladesh) said that operational activities continued to be the most accessible and most important means of fostering multilateral cooperation to address the formidable problems facing the developing countries. The focus of operational activities should shift from narrow inflexible goals to comprehensive objectives conducive to concerted action on a far larger scale. In order to achieve that, a clear set of common objectives was required.

26. While his delegation valued operational activities for their qualitative difference from other types of development assistance and their catalytic effect on other activities, it was not satisfied with the actual trends in the overall availability of resources for those activities. Although in recent years those resources for operational activities had increased in nominal terms, those increases in real terms had remained far below actual requirements. Measures should be taken to ensure that operational activities were not curtailed because of a lack of resources; in that regard, there was a need to assess the possible impact on operational activities of the application of the new criteria for identifying least developed countries.

27. His delegation appreciated the steps taken by the Consultative Committee on Substantive Questions (Operational Activities) to implement the recommendations contained in General Assembly resolution 44/211, and welcomed the increasing cooperation among the organizations of the United Nations and the efforts launched through the Joint Consultative Group on Policy (JCGP). There was, however, room for further improvement on that score both at Headquarters and in the field.

28. Operational activities must become more responsive to national priorities and should involve national planning authorities in programme planning and execution. In order to facilitate that task, United Nations agencies should endeavour to adapt their programmes to clearly defined national goals and priorities. In addition, programme implementation should be closely linked to an objective appraisal of existing national capacities and their full utilization both in the planning and implementation stages.

29. Further measures should be taken to decentralize operational activities and simplify and harmonize complex rules and procedures. That entailed the identification of essential norms and common standards applicable to all operational activities - programming, execution and accountability - which would be adapted to local circumstances. Moreover, efforts should be made to minimize the long time-lag between programming and the execution of agreed programmes.

30. In the areas of entrepreneurship and women and development, Bangladesh hoped that United Nations activities would promote action on the basis of a serious and objective evaluation of all obstacles to progress and would avoid an overly fragmented approach.

31. Mr. IQBAL (Pakistan) said that Pakistan shared Canada's disappointment at the lack of progress made in the implementation of resolution 44/211. The forthcoming triennial review rendered particularly urgent the need for clear guidance on the question of operational activities, and his delegation believed that the resolution on operational activities, shortly to be discussed by the Group of 77 and its development partners, should focus on programming, national execution and decentralization.

32. With regard to programming, the project approach had proved to be wasteful, resulting in unrelated and sometimes competing schemes which overburdened the administrative capacities of Governments. Conscious of that waste, Pakistan had devised a national conservation strategy on environment, under which projects were identified for funding from all sources, bilateral, multilateral and national. Funding and technical assistance should be provided by the United Nations for such national strategies.

33. He stressed that Governments of the developing countries had primary responsibility for programming and should work with UNDP, other United Nations agencies and donors to ensure smooth coordination of the entire development effort. The main obstacles preventing Governments from assuming a leading role in their countries' development programmes were the current method of execution and the centralized system of decision-making.

34. Pakistan agreed with Canada that national execution should be the norm rather than the exception. The support costs system had become the single largest obstacle to capacity building in developing countries and wider use should be made of the concept advanced in the guidelines on new dimensions in technical cooperation, whereby programmes were run by Governments and assisted by the United Nations with counterpart contributions, and not vice versa. Built-in incentives in the system and UNDP's burdensome procedures hampered implementation of that modality and even discriminated against its use. The UNDP tendency to use the Office for Project Services also posed an obstacle to capacity-building.

35. National execution would reduce the United Nations system's administrative burden and redirect the human and technical capacities of the specialized agencies towards their real purpose, namely, provision of technical advice, technical monitoring and policy analysis. Specialized agencies could not be expected to provide objective technical advice when they themselves had an interest in grant funds, nor could they be expected objectively to appraise and monitor projects which they themselves had executed. It was essential that the 13 per cent of UNDP funds allocated to operational activities did not undermine the effective use of the other 87 per cent. For that reason urgent steps were needed to institute national execution, under which Governments were responsible for the management of United Nations-funded projects. Governments should manage programmes and projects in an integrated manner, following a programme approach with enhanced accountability and simplified rules and procedures, to reduce administrative costs.

(Mr. Iqbal, Pakistan)

36. Decentralization was essential to the rationalization of functions between Headquarters and field offices and the development of a country-focused approach, sensitive to the cultural and economic realities of the recipient country. Field-based organizations should shift from a controlling to a supportive role and referral to Headquarters should be kept to a minimum. Partial decentralization would not achieve the necessary division of labour between the country office and Headquarters. The latter's role should be confined to overall monitoring of the Programme. All measures aimed at decentralization and increased delegation of authority should be carried out in the context of full responsibility necessary for enhanced accountability, greater cost-effectiveness, efficiency and long-term sustainability.

37. Decision-making in the governing bodies should be consistent with that approach. The necessary increased coherence in the United Nations project-funding system could be achieved only if projects were funded on the basis of specific strategies and programmes. The insistence of many developed countries that certain global themes should be reflected in United Nations-funded programmes, regardless of their relevance to specific countries, prevented those countries from using the system to its full advantage.

38. In conclusion, he stressed that a comprehensive analysis of the implementation of resolution 44/211, indicating those areas where such implementation had been lacking, was essential for an effective triennial review of the system.

39. Mr. MAYORGA CORTES (Nicaragua), speaking also on behalf of Costa Rica, El Salvador, Guatemala, Honduras and Panama commended the collaborative efforts launched through the Joint Consultative Group on Policy (JCGP), in particular the pilot initiative in six countries for operational collaboration to combat poverty and the collaborative action on women in development programmes (para. 25). The Central American countries agreed that training for staff involved in operational activities should be provided through a network of national and regional institutions supported by a central United Nations focal point (para. 26). Although the governing bodies of the organizations of the United Nations system had taken important steps to improve operational activities for development within the broad policy guidelines set out in General Assembly resolution 44/211, in particular with reference to the comprehensive triennial policy review, there were nevertheless a number of important aspects of that resolution on which further action was needed.

40. The countries on whose behalf he was speaking attached particular importance to the adoption of a pragmatic approach to coordination and field representation and to the proposals for improving information and communications systems and for promoting simplification and harmonization of procedures. They were encouraged by the progress being made in respect of national execution and noted that it was already the norm in UNICEF and WFP.

(Mr. Mayorga Cortes, Nicaragua)

41. They welcomed the work done by the Consultative Committee on Substantive Questions (CCSQ) on the preparation of guidelines for strengthening the resident coordinator system and underscored the vital need for resources so as to improve communication and enhance the substantive dialogue between the Office of the Director-General for Development and International Economic Development and resident coordinators.

42. They strongly endorsed the view that the effective integration of women in the development process called for a system-wide effort covering the thematic issues outlined in document A/46/206/Add.2 and also the strategic issues referred to in paragraph 38 of the report (A/46/206).

43. They agreed on the need for multidisciplinary programmes based on specific country needs, rather than external considerations, and for full involvement of national officials. Government responsibility for project management must be a basic characteristic of operational activities for development.

44. The Central American countries supported the proposed guidelines for fostering the role of entrepreneurship in the development process. Improved coordination and greater flexibility was important, given the variety of programmes being carried out and the need for the design of operational activities to respond to the special requirements of national economies and specific sectors. Bearing in mind the importance of a common framework for action in that area the enunciation of a common set of goals would be desirable. The United Nations system should make vigorous efforts to encourage horizontal cooperation between small- and medium-sized entrepreneurs at regional and subregional level; the regional symposia on entrepreneurship being organized by the Department of International Economic and Social Affairs were useful in that respect. They also welcomed the information contained in document A/46/206/Add.2 regarding the activities of the various parts of the United Nations system aimed at strengthening entrepreneurship. It would be helpful if the experiences of the various agencies could be evaluated as a whole. Any conclusions or recommendations resulting from such evaluation should be communicated to the Member States.

45. The extensive statistical information provided in the addendum to the Director-General's report (A/46/206/Add.4, annex) was particularly appreciated. It had been encouraging to note that the volume of concessional resources had increased by 16 per cent in 1990 compared with a net decrease in 1989 and with the 5 per cent decrease in the resources flow to operational activities for development for the 1988-1989 biennium. The reduced volume of disbursements by the International Fund for Agricultural Development was cause for concern but there had been a very encouraging increase in net transfers to the developing countries by the International Development Association. Although there had been a welcome and significant reduction in negative transfers associated with non-concessional loans by the World Bank and the International Finance Corporation (IFC) gross disbursements in respect of

(Mr. Mayorga Cortes, Nicaragua)

World Bank technical cooperation activities - disbursements in respect of "training" and "consultants" - had been at their lowest level in five years.

46. They supported the comments made the previous day by the representative of Sweden regarding the need for a high-level forum within the United Nations system in which Member States could examine development topics in a coherent way. Such a forum should be one in which a genuine dialogue on development and cooperation could take place along the lines of the discussions held within the Development Committee. Operational activities for development were vitally important to the consistency, coordination and effectiveness of the international cooperation work of the United Nations system. More detailed consideration should be given in the near future to the development of the concept of a document containing the integrated operational response of the United Nations system, at the country level, to the national programme framework of the recipient Government for operational activities for development, as suggested in paragraph 17 (g) of General Assembly resolution 44/211.

47. Mr. ZIARAN (Islamic Republic of Iran) said that human resources were a key factor in development, but their successful utilization required well-managed programmes at national and international level. During the 1980s most of the developing countries had been forced as a result of economic difficulties to neglect human resources development. A favourable international economic and financial environment was crucial to the successful implementation of national plans.

48. International economic cooperation needed to be structured in such a way as to take proper account of the human resources development needs of the developing countries. The activities of the United Nations system should focus on national capacity-building, while donor countries and non-governmental organizations provided financial and technical support for the developing countries' own national endeavours.

49. Regional cooperation offered considerable scope for collective efforts involving the exchange of information and experiences and the organization of regional workshops and programmes, enabling the participants to derive the maximum benefit from joint economic progress and the sharing of costs. Regional conflicts, promoted and inflamed by the political and commercial interests of developed countries, had resulted in the loss of many young lives in the developing countries, along with the destruction of infrastructures and the squandering of opportunities for development. With relaxation of East-West tension the developing countries should be allowed to focus their efforts on development policies instead of on the arms race.

50. Human resources were now widely perceived as the chief agent and goal of development. The developing countries required help in order to draw up comprehensive country profiles and strategies for human resources development as a basis for coordinating activities at national and international levels.

(Mr. Ziaran, Islamic Republic of Iran)

51. The large number of qualified migrants from the developing countries now resident in the advanced countries could make a significant contribution to the development process in their home nations through short-term visits and the establishment of regular contacts with relevant institutions. The modalities and proven track record of the Transfer of Knowledge through Expatriate Nationals (TOKTEN) programme offered a suitable basis for the contribution of migrant expertise.

52. Coordination of the activities of the various organizations of the United Nations system in the field of human resources development was desirable and the proposal that coordination of those activities should be reviewed by the Administrative Committee on Coordination (ACC) deserved consideration.

53. Mr. LEE (World Health Organization) said that national execution should be a common goal of the whole United Nations system. WHO already practised national execution, giving technical advice to the Ministers of Health responsible for national health systems while providing financial support from its own budget and seeking to obtain other additional resources. WHO saw its principal function as one assisting Member States in their efforts to achieve self-reliance.

54. The problem as far as national execution was concerned seemed to be less the concept itself than the lack of a common understanding of the term and the absence of modalities for implementing the process. Serious concern had been expressed within WHO regarding different interpretations of the term and the way in which the process had been handled in some countries in so far as it affected the role of WHO and other specialized agencies. WHO hoped that the guidelines currently being developed by UNDP would help to clarify the situation and ensure the full participation of all concerned at the global, regional and field level.

55. WHO had been reassured by UNDP's announcement that it would be reviewing with WHO areas which might require special attention such as the prevention and control of the acquired immunodeficiency syndrome (AIDS), an activity in which UNDP and WHO had formed a special alliance. AIDS posed a threat to all countries and efforts to combat the AIDS pandemic must not be held back by changes in managerial responsibilities. Full cooperation between national and international partners was vital and a clear understanding of national execution policy was therefore essential.

56. Mr. AL-ROMAIHI (Bahrain) said that the development of human resources was essential to successful economic and social growth. Development organizations had, indeed, provided tangible assistance in building the economic infrastructures of some developing countries. However, his delegation hoped to see a reversal of the recent disturbing trend, whereby certain countries had been excluded, so as to avoid the kind of injustice which had occurred with the introduction of the principle of net contributor status. That

(Mr. Al-Romaihi, Bahrain)

principle failed to take into account the negative features peculiar to small island developing countries, since it used the per capita gross national product as a yardstick; in the case of such countries that was not an accurate social indicator, since it disregarded such countries' overall economic circumstances, such as the net transfer of financial resources, the type of commodities available and whether they were renewable or exhaustible, the ability to diversify income sources and self-sufficiency in economic growth. It was regrettable that, despite the observations made in recent years by such countries, the principle continued to be applied, as a result of which most of them had been deprived of aid.

57. In that connection, UNDP had resolved to send a high-level mission to the countries so affected for consultations regarding application of the principle of net contributor status. His delegation therefore hoped that UNDP would reconsider the latter with a view to restoring the principle that assistance should be provided to all without restriction.

58. Mr. BLANCA (Director-General for Development and International Economic Cooperation) said that the statements on agenda item 82 had demonstrated broad consensus on the importance for the United Nations system to have a strong and effective development cooperation arm and he hoped that those views would be reflected in a consensus resolution on the topic.

59. With regard to the implementation of resolution 44/211, much hard work had yet to be done to ensure full implementation of the UNDP and UNFPA decisions on successor arrangements for support costs and on national execution. While the 1992 triennial review could provide general indications on the changes at field level, the true impact of those changes would take much longer to assess. It was therefore necessary to determine whether the steps already taken pointed in the right direction, since the guidelines on national execution would only be reviewed by the Governing Council of UNDP at its May 1992 meeting, and their impact in the field could not therefore be assessed in time for the triennial review.

60. Many delegates had regretted the lack of progress in such areas as the formation of a more rationalized field structure, with multidisciplinary teams; the sharing of United Nations facilities; the establishment of a United Nations common country programme to respond to national priorities; the promotion of decentralization, the delegation of authority, national capacity-building and national execution; the harmonization and simplification of procedures; and the strengthening of the resident coordinator system.

61. On the subject of resources, the results of the 1991 United Nations Pledging Conference had highlighted the need to give greater momentum to the financing of operational activities. Delegates had shown a shared concern at the marginalization of the Organization's social and economic programmes at a time when awareness of the interdependence of the problems of poverty, population, environment, economic transition and social reforms was growing.

(Mr. Blanca)

62. The disappointment expressed by many Governments with the slow pace of implementation of resolution 44/211 and all related decisions lent particular urgency to the resolution on that topic; he hoped that it would be adopted without difficulty.

63. Delegations had stressed the increasing importance attached to human development as a weapon in combating poverty and the role of technical cooperation, managerial training and institutional support in assisting countries with economies in transition. The principal focus for the triennial comprehensive policy review had been delineated; important ideas on intergovernmental mechanisms for operational activities and the funding of those activities, which had emerged from the Nordic United Nations project, would be of great value in preparations for the 1992 session of the Economic and Social Council.

The meeting rose at 5.35 p.m.

UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

SECOND COMMITTEE
38th meeting
held on
Monday, 11 November 1991
at 3 p.m.
New York

SUMMARY RECORD OF THE 38th MEETING

Chairman: Mr. BURKE (Ireland)

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The meeting was called to order at 3.35 p.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)

1. The SECRETARY-GENERAL said that the issue of the proposed conference on development financing was one to which he attached particular importance. The world was witnessing a profound and largely peaceful transformation of its society. Extraordinary changes were influencing not only relations between States, but also how States organized themselves internally. That augured well both for the prospects for peace and for enhancing the well-being of peoples in larger freedom. But, important as those changes were, they were also often fragile. The strong commitment and full support of the international community, acting collectively, would be needed in order to create conditions in which those auspicious developments and the democratic aspirations of people could take root. Full advantage must be taken of the opportunity history had provided. The positive components of recent political developments needed to be translated into specific actions in the economic and social field. Without that, hopes for lasting peace would be nothing more than a mirage.

2. Observing that the note which he had submitted to the General Assembly elaborated on the rationale of his proposal for the convening of a conference on development financing, he stated that there were two fundamental requirements for the success of current efforts by developing countries and those trying to integrate into the world economy: increased trade and access to adequate financing. In the field of trade, there was general recognition of the importance of a successful conclusion to the Uruguay Round which would allow much greater access to world markets for the exports of developing countries and those in transition to market economies. Similarly, in the field of finance, the international community would need to ensure that those countries had sufficient resources and the right conditions to carry out their restructuring and modernization programmes. It was his fear - a fear shared by many - that in the absence of adequate resources to finance an enlarged global investment agenda, growth might be stifled, development might become more difficult if not impossible, and a relapse into authoritarian forms of Government might result.

3. The development agenda in the 1990s called for much greater levels of investment, particularly as it had to cover not only the requirements of developing countries, but also those of the industrialized countries for reactivating their economies. The magnitude of those requirements was beginning to emerge. While it was not possible to quantify with any precision the funds needed for restructuring the Eastern and Central European economies, estimates ranged from $US 100 billion to $US 1,000 billion. Compared to that, the funds needed for the revitalization of the African continent - estimated at $US 30 billion annually - were significantly less. To that there must be added the reconstruction needs in the region of the Persian Gulf and the overall investment requirements of the developing countries. The sluggish

(The Secretary-General)

economies of the industrialized countries also called for sizeable new investments. The United Nations Conference on Environment and Development - the Earth Summit - to be held in Brazil in June 1992, would reveal the cost of environmentally sound sustainable development. All in all, there was an immense resource requirement for the development agenda for the 1990s. The challenge facing the international community was to ensure that adequate resources were made available, without creating an excess demand for savings, and therefore higher interest rates, which would have a devastating impact on growth, especially in the developing countries and those in transition.

4. It was to address those critically important issues that he had proposed an international conference on the financing of development. Economic reform in developing countries and in the economies in transition would lead to sustained growth only if public and private investment grew significantly above current levels.

5. An effective and sustainable solution to the debt problem of indebted nations that would allow them to regain creditworthiness in international capital markets was also imperative. There was an urgent need to enhance the financial situation of borrowers through a combination of stabilization and liberalization policies, debt reduction schemes and growing export revenues. He could not stress too highly the importance of making the domestic environment more conducive to investment.

6. Political developments had created conditions for taking actions which would not have been considered possible a few years earlier. For that reason, major and rapid reductions in military expenditure and agricultural subsidies would constitute the two most obvious ways to reallocate significant resources to more productive activities. However, they were not necessarily the only ones. He was confident, for example, that the forthcoming session of UNCTAD to be held in Colombia in February would also produce inputs to the proposed conference, as would the United Nations Conference on Environment and Development (UNCED).

7. Bearing all these factors in mind, he stressed the need for prompt action and suggested that the United Nations might together with the International Monetary Fund and the World Bank, prepare a draft annotated agenda for the conference, which could be submitted to the Economic and Social Council at its next regular session. That would prepare the ground for agreement at the forty-seventh session of the General Assembly to launch the conference. Reaffirming the importance that he attached to close cooperation with the World Bank and the International Monetary Fund in the proposed endeavour, he said that he had shared his ideas on the subject with the President of the World Bank and the Managing Director of IMF and their positive and constructive response was most encouraging.

(The Secretary-General)

8. In conclusion, he stressed his concern over the present uncertainty as to whether adequate resources for development could be mobilized. The international community was at a critical juncture where failure to take the right road could set back the emerging spirit of democracy, enterprise and cooperation for decades. He therefore believed that the proposed conference would be an important step in the right direction. He called upon the international community to show vision and courage in laying the foundations of a truly global world economy that allowed all countries the opportunity of full participation, and all men and women the possibility of living lives of dignity and of their choice.

AGENDA ITEM 77: DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued)

(a) TRADE AND DEVELOPMENT (A/46/3, A/46/15, vols. I and II, A/46/496 and Add.1, A/46/564, 565 and 567)

(b) IMPLEMENTATION OF THE PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE 1990s (A/46/566)

(h) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (A/46/3 and A/46/37)

9. Mr. BERTHELOT (Deputy Secretary-General of the United Nations Conference on Trade and Development (UNCTAD)) said that the problems of development financing and debt were intimately linked. While the main source for development financing remained the savings generated in the developing countries themselves, those countries still needed considerable external financial assistance, as had been recognized in resolution 396 (XXXVIII) on debt and development adopted by the Trade and Development Board. Inflexibility in financial circles had obstructed financial flows to the developing countries, and caused high interest rates. It was also essential to take into account the specific situation of each country, particularly its creditworthiness, rather than the overall level of savings. For that reason, policy action designed to bring about a meaningful reduction in debt burdens should focus on the specific financial conditions facing developing countries. Recognition of the need for more determined action had prompted the Board to adopt a resolution setting out issues for consideration at the forthcoming session of UNCTAD, aimed at strengthening the international debt strategy and promoting the financing of development. The UNCTAD session would consider the resources necessary for sustainable growth and development in the 1990s and would be an ideal opportunity for reaching consensus on the agenda for the proposed conference on development financing.

10. UNCTAD had given careful consideration to the issue of sustainable development and the ramifications thereof, and its views had prompted the adoption of resolution 393 (XXXVIII) by the Trade and Development Board, which clarified and extended UNCTAD's mandate on sustainable development, particularly with regard to the issues of access to, transfer of, creation and development of environmentally sound technologies. UNCTAD's role in

promoting the implementation of the decisions and guidelines resulting from UNCED would be further defined at its eighth session.

11. UNCTAD's views on the importance of technology for development had evolved considerably over the years, leading to a better understanding of the mechanisms for the development and transfer of technology and to the recommendation of pragmatic and universally applicable approaches to the issue in national and international policies. Those approaches were reflected in the report of the Secretary-General of UNCTAD on the draft international code of conduct on the transfer of technology (A/46/564). Consultations had been held on the establishment of an intergovernmental group of experts to review the draft code in the light of recent technological, economic and political developments but, as agreement had not been reached on the group's terms of reference, the matter had been referred to the General Assembly for guidance. He stressed the need for continued dialogue on the complex issue of the transfer of technology with the aim of encouraging the cooperation of those enterprises which were the principal producers and users of the technologies in question.

12. With regard to the issue of the least developed countries, he expressed his concern that, contrary to expectations, bilateral aid efforts appeared to be slowing. He was encouraged, however, by the increased efforts made by numerous agencies of the United Nations system in favour of the least developed countries. The Consultative Committee on Substantive Questions (Operational Activities) (CCSQ (OPS)) was preparing detailed guidelines for agencies and resident coordinators on ways of making the Programme of Action for the Least Developed Countries, adopted at the Paris Conference in 1990 operational.

13. The note by the Secretary-General concerning the needs and problems of land-locked developing countries (A/46/496) pointed out that many land-locked developing countries also figured among the least developed countries and noted the deterioration of their transport infrastructures and their consequent need for increased external assistance and enhanced regional cooperation.

14. In the broader context of economic cooperation among the developing countries, the Board had requested the Secretary-General of UNCTAD to hold consultations on the feasibility of a finance facility for interregional trade among the developing countries, since lack of financial resources had been recognized as one of the principal obstacles to South-South trade.

15. With regard to the draft convention on maritime liens and mortgages, he hoped that the General Assembly would support the recommendation put forward by UNCTAD and the International Maritime Organization (IMO) on the convening of a Conference of Plenipotentiaries for the consideration and adoption of the draft.

(Mr. Berthelot)

16. A report strengthening international organizations in the area of multilateral trade was under preparation and, in that context, he drew attention to the note prepared by the UNCTAD secretariat contained in the annex to A/46/565, which outlined the historical background of the topic, reviewed relevant proposals and examined the circumstances which had revived interest in institutional aspects of the world trade system.

17. UNCTAD had maintained its development mission while responding to changing conditions and needs, as evidenced by the initiatives taken at the latest session of the Trade and Development Board. Those initiatives placed an additional burden on budgets and would require additional resources. He cited, by way of example, the environmental activities that had been introduced in most UNCTAD activities and that were currently funded by the redeployment of internal UNCTAD resources. Unless additional resources were forthcoming for those activities, other essential activities might suffer.

18. With regard to preparations for the eighth session of UNCTAD, he noted that the session had three objectives: political, economic and institutional. Its political objective was to reinstate development as the pre-eminent concern of the international community and to establish a new spirit of cooperation in North-South relations for the 1990s. Attainment of that aim was rendered urgent by the degradation of the environment, the risk of marginalization and the growing interdependence of the world. The economic objective of the session was to capitalize on the potential for development created by the new political order. New priorities must be defined and translated into national and international policies. In particular, good management was required at the national and international levels and sustainable development should be promoted through measures to eradicate poverty and to solve global environmental problems. Sound national management would stress the imperatives of human development, the respective roles of the market and the state and the need for pluralist participation. Sound international management would cover the coordination of policies and the improvement of rules governing international trade and the financial system to promote efficiency in trade, to maintain international competition and to foster an international environment conducive to development. Finally, the institutional objective was to reach consensus on the role of UNCTAD in the new economic order. In line with the current thinking of the Trade and Development Board there was a growing awareness of the need to strengthen UNCTAD in order that it, in turn, could promote international cooperation and negotiation on development.

19. Mr. BAEHR (Director and Officer-in-Charge of the United Nations Centre for Science and Technology for Development) said that scientific and technological progress had continued to accelerate over the past few years and that the breakthroughs were increasingly being concentrated in the high technology centres - the United States, Japan and the European Community.

(Mr. Baehr)

20. While some developing countries had benefited from the diffusion of those technologies in their economies, the process of diffusion had been inefficient and uneven. There was an ever-widening gap both between the industrialized and the developing world, and between different groups of developing countries, with regard to their scientific and technological development while the least developed countries were becoming increasingly marginalized in terms of their scientific and technological capabilities. By contrast, the economically most advanced countries were formulating policies to ensure their long-term competitiveness and security in the areas of science and technology.

21. The Report of the National Critical Technologies Panel, issued in March 1991 by the Office of Science and Technology Policy of the President of the United States, identified 22 technologies, discussing each one with respect, inter alia, to international trends. The study conclusion - that technology could bring prosperity only if society learned to use it more effectively - applied to all countries irrespective of level of development and it underscored the need for all countries to develop their own endogenous capabilities in science and technology.

22. The mounting costs of science and technology made it vital to improve inter-State policy coordination. Science was becoming increasingly capital intensive, and the cost of developing human resources, especially at university level, was a drain on the economies of most developing countries. Such countries often had to decide whether to leapfrog at high cost into a competitive technological arena. They could not do so without external assistance and cooperation from the scientifically and technologically advanced countries. At the same time, they must make use of locally available know-how to develop informal and traditional sectors of their economies, with a view, inter alia, to eradicating mass poverty. The deliberations of the Second Committee had focused on all of those issues, for science and technology had become a factor in almost all aspects of the world political economy. It was apparent, therefore, that the issue of global sustainable development had a clear-cut scientific and technological component. In that regard, the high cost of developing and transferring environmentally sound technologies must be amortized in the context of a global economy and global markets.

23. Triangular arrangements had been proposed whereby the South would act as supplier for the Eastern European countries with funding from the West. In addition, the role of science and technology in the former centrally planned economies must be redefined and existing potential must be fully utilized as their economies were restructured. To that end, international coordination and exchange of experiences were required, preferably within the framework of the United Nations.

24. International policy coordination would also be vital in an age of disarmament as military technology was converted to civilian use. In fact, military-oriented research could itself be reapplied to the assessment of

(Mr. Baehr)

alternative uses of new technologies, such as sustainable development and the preservation of peace. Within the United Nations system, an integrated mechanism for scientific, technological, economic and political monitoring, assessment and forecasting could be valuable in disaster prevention and mitigation.

25. Mr. PANT (Director, Division for Least Developed, Land-locked and Island Developing Countries, UNCTAD) introduced the report of the Secretary-General on development and international economic cooperation: implementation of the Programme of Action for the Least Developed Countries for the 1990s (A/46/566), which related the main developments which had taken place since the Second United Nations Conference on the Least Developed Countries. Events unforeseen at the time of the Paris Conference had imposed additional hardships for the least developed countries. None the less, as a result of the Programme of Action, as many as 12 LDCs had realized gains in per capita income in the 1980s. Other countries, representing a significant portion of the total LDC population, had also achieved positive, though lower, growth rates. On the other hand, 11 LDCs had experienced severe declines, often as a result of military conflict and internal political strife.

26. Two thirds of LDCs had initiated or pursued major programmes of economic policy reform. Equally important was the political reform process under way in many LDCs, inspired by the changes which had taken place in the world in the past two years. The reforms were aimed at establishing more participatory development and transparent political systems. The future of LDCs also depended on increased external support, as set forth in the Programme of Action. Resource flows to LDCs had stagnated in real terms in the late 1980s, and additional assistance would be necessary to finance their development programmes in the 1990s. Moreover, resource requirements in many cases were greater than had been anticipated at the Paris Conference; requirements had also increased because of modifications in the list of LDCs.

27. Debt and trade issues were crucial to the development prospects of LDCs. Recent initiatives by creditor countries gave cause for measured optimism. In order to become integrated in the international trading system, LDCs required market access for their exports and support for their diversification policies. In that context, the special situation of LDCs should be taken into account in the Uruguay Round of multilateral trade negotiations.

28. Arrangements for follow-up of the Programme of Action, in accordance with General Assembly resolution 45/206, were largely in place. A number of review meetings had been held at the national level and measures had been taken to strengthen the country review process. Regional commissions had also assumed new tasks and responsibilities assigned to them under the Programme of Action. At the global level, UNCTAD had been designated as the focal point for review and appraisal of the implementation of the Programme. Accordingly, the UNCTAD Trade and Development Board had taken up the item at its March 1991 session. Although it had been unable to engage in substantive analysis, the

Board had adopted resolution 390 (XXXVII), stressing that the Programme of Action must be implemented urgently.

29. In recognition of UNCTAD's expanded role under the Programme of Action, the General Assembly had provided it with additional resources and a Division for Least Developed, Land-locked and Island Developing Countries had been established. The report also described measures taken by the various organs, organizations and bodies of the United Nations, including the first inter-agency consultation on the follow-up to the Programme of Action, convened by the Director-General for Development and Economic Cooperation in July 1991. In addition, at the request of the Trade and Development Board, the Secretary-General of UNCTAD would present a progress report on implementation of the Programme of Action at the eighth session of the Conference when it met in Cartagena, Colombia, in February 1992.

30. Mr. KUFUOR (Ghana), speaking on behalf of the Group of 77, said that the slowdown in global output and steadily decelerating growth had had a particularly adverse effect on the developing countries. As a result of strains in the international trading system, arrangements under the General Agreement on Tariffs and Trade (GATT) were eroding and being replaced by managed trade. Industrialized countries, in particular, were being pressed by powerful lobbies to increase protectionist measures and impede the access of developing countries to their markets. Developing countries, on the other hand, had adopted exported-oriented strategies and taken unilateral steps towards trade liberalization. According to the Trade and Development Board, the developing countries had taken the lead in trade liberalization while the developed countries receded into the background. The developing countries hoped for an early and balanced conclusion of the Uruguay Round of multilateral trade negotiations - one which brought all sectors under GATT discipline and accorded preferential treatment to the exports of developing countries.

31. The export revenues of developing countries continued to decline as a result of adverse terms of trade and the drop in the price of certain non-fuel commodities. Exports from developing countries must be fairly priced so that those countries could acquire resources for investment, debt-servicing and the diversification of their commodity-dependent economies. Fresh impetus must be given to the Integrated Programme for Commodities; and compensatory financing schemes, such as the Compensatory Financing Facility of the International Monetary Fund and the Stabex scheme of the European Community, must be strengthened and liberalized.

32. The Declaration on International Economic Cooperation adopted at the eighteenth special session of the General Assembly, had singled out external indebtedness as the chief cause of the economic stalemate in developing countries. Much of the $1.3 trillion debt owed by developing countries had been generated by expensive rescheduling agreements and contractual amendments which had not brought in any new resources. That was why the Group of 77 had

(Mr. Kufuor, Ghana)

persistently called for significant reduction in the stock of debt and debt service. In that connection, UNCTAD has to be commended for specifying a debt reduction target of 30 per cent. Since the implementation of debt reduction was slowed by difficult negotiations, the Group of 77 hoped that debt-reduction measures would be streamlined to cover all categories of debtors. While it welcomed the Trinidad terms relating to debt reduction for low-income and least developed countries, it also hoped that the Netherlands proposal on debt cancellation for low-income debtors would be adopted. Mechanisms for dealing with the overwhelming debt owed to multilateral financial institutions must also be established.

33. Even substantial debt relief and adjustment efforts by developing countries would not be sufficient to promote growth without substantially greater aid flows, on concessional terms. In that connection, the Ministers for Foreign Affairs of the Group of 77, in their declaration adopted in September 1991, had seen the forthcoming eighth session of UNCTAD as an opportunity to breathe new life into the development dialogue, taking into account global political, economic and technological changes in recent years.

34. The question as to why scientific knowledge had not been successfully extended to all parts of the world had never been satisfactorily answered. Although the issue was complex, it was clear that impediments to effective technology transfer must be removed and mechanisms for promoting endogenous capacity-building in science and technology must be promoted in developing countries. In that regard, the Group of 77 wished to stress the importance of the Vienna Programme of Action on Science and Technology for Development and the activities of the United Nations Centre for Science and Technology for Development. In the preparations for the United Nations Conference on Environment and Development, the Group of 77 had also submitted a comprehensive proposal on the transfer of environmentally sound technology to developing countries.

35. The Group of 77 was deeply concerned over the worsening socio-economic outlook for least developed countries and the projected overall medium-term growth rate of LDC economies. The Programme of Action for the Least Developed Countries for the 1990s was based on the principle of shared responsibility and strengthened partnership between LDCs and their development partners. In that spirit, development partners must fully honour commitments undertaken at the Paris Conference in order to match the national efforts of LDCs. In addition, the three-tiered mechanism - external development resources, alleviation of the debt burden and market access - agreed at the Paris Conference must be strengthened.

36. Mr. MAJOOR (Netherlands), speaking on behalf of the European Community and its member States, said that the central concept of the Programme of Action for the Least Developed Countries for the 1990s was that of partnership. The least developed countries had undertaken to reform their own policies, while the donor community had committed itself to providing the

(Mr. Majoor, Netherlands)

necessary external support. The European Community was firmly committed to the creation of a favourable international economic environment in which all countries, including the least developed countries, had the opportunity to increase their export earnings. It was important to bear in mind that external financial support was not a substitute for vigorous domestic policies, to promote sustainable growth and development. The Community was prepared to support such policies through external funding.

37. In order to meet the external financing requirements of the least developed countries, the outflow of funds must be stemmed through a reduction of debt and debt-servicing obligations, and the inflow of funds must be increased. With regard to external debt, the European Community had put forward proposals that went far beyond the Toronto terms; the proposals were currently under discussion in the Paris Club. With respect to the inflow of funds, the least developed countries would continue to be critically dependent on official development assistance (ODA). The European Community and its member States, which together constituted by far the most important source of concessional resources for the least developed countries, had reaffirmed their commitment to reach the accepted United Nations target of allocating 0.15 per cent of their gross national product (GNP) to ODA for the least developed countries. The Community as a whole already gave 0.13 per cent of its GNP to those countries.

38. The European Community had noted with satisfaction that the fear that new developments in Europe would divert attention from its obligations elsewhere had proved groundless. While the Community was prepared to meet new global and European challenges, it would at the same time remain faithful to its existing commitments, which included support for the least developed countries.

39. Monitoring the implementation of the Programme of Action for the Least Developed Countries for the 1990s was rather difficult since the Programme included a broad range of measures. However, the monitoring process could benefit from the expertise and experience of the secretariat of UNCTAD, whose input would constitute a sound basis for detailed consideration of the measures undertaken by all parties.

40. Science and technology played a key role in the improvement of the quality of life and the eradication of poverty through the promotion of economic growth and sustainable development in developing countries. The issue of science and technology for development was usually linked with the transfer of technology. The European Community, however, preferred the term "technology cooperation", since the provision of technological know-how to meet the needs of developing countries required efforts on both sides and also included such areas as information and training.

41. Technology cooperation was at the heart of the preparatory process for the United Nations Conference on Environment and Development. Since the environmental problems of the developing countries were not always similar to

(Mr. Majoor, Netherlands)

those facing the developed countries, technology development must be geared to the needs and priorities of individual countries. In a country-by-country approach, the assessed needs of the individual country would form the basis for technology cooperation, which included the creation of conditions that enabled the developing countries to develop their own technologies and make informed choices. Capacity-building, access to information and demonstration projects as well as increased South-South cooperation were important elements of any strategy for technology cooperation.

42. The application of environmentally sound technologies was a key factor in the achievement of sustainable development. As a result of the new awareness of the relationship between environment and development, many industrialized countries were developing environmentally sounder - "cleaner" - technologies. Once Government bodies and Government-supported research centres acquired expertise, adequate links between bodies in donor countries and their counterparts in developing countries could contribute to a fruitful exchange of knowledge on clean technologies. The European Community supported such policies, and it was pleased that the Centre for Science and Technology for Development was increasing its activities in that area.

43. The economic situation in many developing countries made it difficult to mobilize adequate internal resources for the development of environmentally sound technologies. Developing countries should nevertheless endeavour to make additional resources available by reordering their budget priorities and, at the same time, donor countries should identify additional financial resources to facilitate cooperation in the area of environmental protection, in particular with developing countries.

44. Mechanisms for disseminating information on available environmentally sound technologies, including clearing-houses and centres of excellence in both developed and developing countries, should be expanded. Interlinkage at the level of research institutions could prepare the way for the involvement of private enterprises from the donor countries. In that connection, the potential of non-governmental organizations, particularly in capacity-building, should be fully utilized. The private sector could contribute to sustainable development by observing high environmental standards in its investments and joint ventures. Moreover, since private enterprise could play a pivotal role in the transfer of environmentally sound technologies, the Governments of developing countries should establish mechanisms that encouraged foreign direct investment and joint ventures.

45. Capacity-building was a key factor in the introduction of environmentally sound techniques. The European Community attached great importance to the development of endogenous capacities and supported the use of local technologies where appropriate. In addition to financial efforts to improve the capacities of developing countries, high priority should be given to human resources development in developing countries.

(Mr. Majoor, Netherlands)

46. At the latest session of the Intergovernmental Committee on Science and Technology for Development, the European Community had criticized the functioning of that subsidiary body and had encouraged the Centre for Science and Technology for Development to improve its output. In order to enable the Economic and Social Council and the General Assembly to improve their understanding of the issues related to science and technology, and to develop common policies and agree on national and international action, it was essential to find ways of ensuring a more informed and qualitative treatment of the issues involved, based on the best available expert and policy advice.

47. Mr. WILENSKI (Australia), speaking on behalf of the Cairns Group, said that a satisfactory conclusion of the Uruguay Round of trade negotiations could not be reached unless satisfactory results were achieved on agriculture, and that would depend, above all, on the exercise of political will by the leaders of the seven major industrialized countries.

48. In the view of the Cairns Group, an acceptable package on agriculture should include substantial commitments in three areas: domestic support, market access and export competition. On domestic support there should be reductions in support and a move towards forms of Government intervention which had less distorting effects. On market access there should be a move away from non-tariff barriers to normal tariff protection, and real liberalization through reductions in the level of protection and increases in access opportunity. On export subsidies, there should be a cease-fire on their proliferation, and firm commitments to effective reductions. In addition, due recognition should be given to the position of developing countries, inter alia, by faster reductions in market access barriers on products of importance to those countries.

49. The reforms undertaken by many developing countries and also by the Central and Eastern European economies were being seriously threatened by the lack of fair market opportunities provided by many of the industrial countries which had encouraged the reforms. There was no doubt that agricultural protectionism hindered economic development, the debt-servicing capacity and employment opportunities in developing countries. A successful outcome to the Uruguay Round with a satisfactory result on agriculture would greatly enhance the multilateral trading system and thus make a major contribution to the long-time prosperity and well-being of all countries. The political courage successfully to conclude the Round was needed as the negotiations proceeded into a final and decisive stage. If the Round was allowed to drift until 1993 it was doubtful it could then be resuscitated.

50. Mr. GEBREMEDHIN (Ethiopia), said that despite rapid technological advances, the expansion of international trade and the globalization of markets, the least developed countries continued to face very serious problems. While his delegation welcomed the fact that the developed countries were considering how they could best help address the development problems of the least developed countries, it felt that more could be gained from

(Mr. Gebremedhin, Ethiopia)

coordinated approaches and realistic country-specific measures agreed upon between development partners.

51. The economic situation of the least developed countries in Africa had worsened during 1990. Decades of fratricidal war had left his country so devastated that a resumption of development was nearly impossible, as priorities in many areas competed for non-existent resources. His country had also been weakened by the cold war. His delegation therefore hoped that it would be at the top of the list of beneficiaries of the global peace dividend.

52. His country strongly believed that the salvation of the developing countries lay in trade, not aid, and that each country was responsible for its own growth and development. In an interdependent world, however, where access to capital, markets and technology was becoming increasingly difficult, it was essential to ensure an international economic climate that was receptive to the efforts of the developing countries to elaborate sound domestic policies.

53. His country's draft economic policy for the coming two years of transition sought to enhance growth performance on the basis of success measured by economic goals rather than ideological or other considerations. His Government sincerely hoped that outside help would be forthcoming so that those policy measures could be carried out. With a view to promoting the implementation of the Programme of Action for the Least Developed Countries for the 1990s, urgent and bold measures to reduce the developing countries' debt stock and debt-servicing burden - including those resulting from commitments from multilateral financial institutions - would be particularly welcome, as they would enable the least developed countries to use their resources for much needed investments in their economies. His delegation also hoped that the least developed countries would be provided with substantial financial resources. In that connection, his delegation took comfort in the renewed commitment expressed by the Netherlands representative on behalf of the European Economic Community.

54. Mr. TANLAY (Turkey), said that despite the trend towards world economic integration, the serious financial problems which the developing countries had confronted during the 1980s remained essentially unchanged. Those countries continued to be hampered by poverty, unfavourable terms of trade, extremely heavy foreign debt and serious ecological problems. Nevertheless, most developing countries were introducing structural adjustments in order to revitalize their economies, diversify production and exports and improve their access to markets.

55. His delegation was convinced that international trade, particularly for countries with heavy debt, was the primary tool to promote economic growth and reduce the gap which separated them from the developed countries. They should, therefore, continue their efforts to encourage entrepreneurship, stimulate investment and increase exports.

(Mr. Tanlay, Turkey)

56. Vigorous and sustained growth depended more on free trade than it did on financial aid, and the persistence of protectionism was a hindrance to the developing countries' export growth, which was essential to the success of their economic reform efforts. The erosion of multilateralism in international trade, characterized, inter alia, by the establishment of regional trading blocs, compromised the success of the export-oriented economic development strategies of the developing countries, and his delegation hoped that such blocs would not prove an obstacle to world economic growth. The establishment of a genuinely open multilateral trading system was critical to the growth and development of the developing countries. The success of the Uruguay Round of multilateral trade negotiations was crucial for the developing countries' export development prospects. In that connection, his delegation welcomed the statement by the Group of Seven anticipating the successful conclusion of the negotiations by the end of 1991.

57. Mr. MORALES (Costa Rica), speaking on behalf of his own delegation and those of El Salvador, Guatemala, Honduras, Nicaragua and Panama, said that although those countries had yet to overcome their problems of illiteracy and malnutrition, and their gross domestic product (GDP) remained low, peace had returned to the region and they were now able to focus on development. As could be seen from the Human Development Report 1991, despite their low level of economic development, some of them had made substantial progress.

58. As the scientific and technological revolution set in motion by the Second World War continued to gain momentum, the world was having to adapt to increasingly rapid technological change. Unfortunately, many countries had barely been touched by that revolution and were not even taking steps to participate in it. However, there was an increasing awareness that mankind was entering a new phase in its development and that nations must use science and technology to solve their problems.

59. Scientific and technological knowledge had become a major factor of production, and activities in that sphere should focus on generating technological innovations in manufacturing processes, marketing and quality control, in order to ensure countries broad market access for their products. The countries of Latin America, having acknowledged the need to develop a sound scientific and technological knowledge base, also recognized that an educated population, political stability and a commitment to support scientific and technological research were also crucial. Fast-developing information technologies would prove to be key instruments in Central America's efforts in the fields of research and the transfer of technology. He also underscored the increasing importance of biotechnology in the fields of medicine and food production.

60. The countries of Latin America were strengthening their constitutional and legal structures in order to fulfil their commitment to make science and technology major tools of development. Central America, Costa Rica and Guatemala had adopted relevant legislation. The presidents of the countries

(Mr. Morales, Costa Rica)

of Central America and Panama had endorsed a regional policy and programme for science and technology in December 1990. The policy emphasized the use of scientific data, technical methods and technological training in order to promote the growth of the productive sector. Projects for which the assistance of international agencies would be sought were in preparation.

61. The action taken by those agencies and donor countries had had little impact thus far on efforts to eradicate poverty. The obligation of recipient countries to make counterpart contributions as a condition for receiving aid placed a heavy demand on resources urgently needed for social investments. The countries of Central America therefore proposed that the funds which they devoted to new programmes for education and poverty mitigation should be considered as their counterpart contribution.

62. The Central American policy for science and technology presented guidelines for action in the field of education, cultural and social development, sustained ecological development and development of the productive sector. Science and technology were thus to play a major role in helping the countries of the region develop a greater sense of independence and control over their own fate.

63. Activities to restructure the productive sector had four complementary objectives, namely, to increase the capacity for technological innovation and management in enterprises; to encourage academic and technical institutions to enhance the volume, relevance and quality of their training, research and service-oriented efforts on behalf of the productive sectors; to establish a long-term educational, scientific and technological foundation for indigenous cultural development; and to ensure that scientific and technological progress and enhanced productivity and competitiveness worked in the interest of the social development and quality of life of the region's inhabitants. The policy also established the need for a commitment at the highest political level to the development of science and technology, established a regional coordinating body and set minimum standards for the scientific, technological and technical development of the region.

64. Mr. AVALLE (Argentina), underscoring the close interrelationship between trade and development and their crucial importance for the stability of the world economy as a whole, said that the time had come to move from rhetoric to implementation of the commitments already undertaken.

65. His Government had adopted major political decisions to promote openness in the national economy by significantly simplifying the structure and reducing the number of tariffs and eliminating most non-tariff restrictions. It was a member of the newly created common market of the Southern Cone (MERCOSUR, which had been established to improve the quality of life of the populations of the participating countries. That goal would be achieved with measures to increase the quantity of goods available, create economies of scale, lower prices and improved quality. The four participating countries

(Mr. Avalle, Argentina)

intended to harmonize their macroeconomic policies, existing tariffs would gradually be eliminated and steps would be taken to maximize their respective competitive advantages as the region enhanced its position in the international economy. The member countries planned to restrict imports whose prices were influenced by subsidies, dumping or any other unfair trading practice. The States Parties of MERCOSUR also were working with Chile and other Latin American countries to strengthen the Latin American Integration Association (ALADI) as a vital instrument for economic integration. His country was firmly committed to the path on which it had embarked, notwithstanding adverse pressure from certain interest groups.

66. His delegation fully endorsed the views just expressed by the representative of Australia and was dismayed that, notwithstanding commitments made at the highest level, access to industrialized markets had not improved and distortionary trade practices had worsened. The huge agricultural subsidies paid by OECD countries could more productively have been spent to promote productive development activities through investments which generated real wealth in developing and developed countries alike. Such agricultural trade practices, which worked to the detriment of food-producing developing countries in particular, also jeopardized food security.

67. A double standard was evident in the international arena and it directly undermined democracy: on the one hand, the industrialized countries commended the developing countries on the political and economic transformations accompanying the opening of their economies and the consolidation of democratic regimes. On the other hand, when the developing countries sought to expand their economic base by applying legitimate market rules, the developed countries reprimanded them, ostensibly for internal political reasons.

68. The provision of aid for development should not be viewed as a form of charity. He urged the developed countries to honour their commitments with respect to trade, assume their responsibilities and adopt decisions which would facilitate substantive results in the Uruguay Round. His delegation hoped that the eighth session of UNCTAD would prove a positive step in that direction. His country would continue to do its utmost to promote the views he had just outlined.

69. Ms. HARPER (Canada), speaking on behalf of Canada, Australia and New Zealand, fully endorsed the position expressed earlier by Australia on behalf of the Cairns Group on the importance of achieving a satisfactory conclusion to the Uruguay Round. The abusive subsidies which had led to overproduction and depressed agricultural commodity prices must be ended. Neither developed nor developing countries could allow their economies to be weakened by trade-distorting subsidies and barriers.

(Ms. Harper, Canada)

70. Reform of world agricultural trade would provide a fairer and more market-oriented trading environment and open new markets for efficient agricultural producers, provide more liberal access for tropical products to developed country markets and could lead to the reintegration of textiles and clothing in the GATT on the basis of strengthened GATT rules and disciplines. It would also expand market access for manufactures and semi-manufactures through tariff reduction and would help limit and clarify the use of non-tariff barriers by strengthening the rules governing that practice.

71. A successful conclusion to the Uruguay Round would need to be supported by institutional changes in the world trading system, including consideration of the establishment of a world trading organization. However, in light of the fact that the Uruguay Round had not yet concluded, it would be inappropriate for the General Assembly to address the issue at that time.

72. Mr. KHORRAMI (Afghanistan) said that despite general awareness of the problem of the least developed countries, few donor countries had as yet reached the target of 0.15 per cent of GNP for official development assistance (ODA) to the least developed countries. The alarming fact that that trend was continuing into the 1990s had been reflected by the Secretary-General in his report A/46/566.

73. Regional conflicts had hindered the development of some least developed countries. Regional disputes and wars imposed a heavy burden of military expenditure, consuming funds which could have been allocated to socio-economic development. In the case of many least developed countries, unfavourable geographical location was another barrier to development. Further action was needed to address the problems of land-locked developing countries.

74. Afghanistan had suffered greatly as a result of devastating war and the cessation or suspension of aid by the industrialized countries and international financial institutions. His delegation hoped that the world community, and especially the World Bank and IMF, would resume assistance to Afghanistan. Those countries which had spent billions of dollars on fuelling the war in Afghanistan had a moral duty to help rebuild the country, beginning on 1 January 1992, they should start reallocating resources previously used to supply arms and ammunition to the purpose of supplying food, clothing and medicine and to assist in the reconstruction of the country.

75. Mr. ROBLES (Mexico) said that the Uruguay Round of multilateral trade negotiations had reached a crucial phase; the outcome would be determined by the political will of the main participants. If current difficulties, particularly in the agricultural sector, were not overcome, the agreements reached in the various negotiating groups might not go into effect, thus nullifying the efforts that had been made over the previous five years.

(Mr. Robles, Mexico)

76. Mexico had participated actively in the Uruguay Round and had proposed that the unilateral efforts made by many developing countries to engage in free trade should be taken into consideration. In a difficult trading environment, Mexico had implemented far-reaching tariff and non-tariff liberalization measures, which should be acknowledged. It had emphasized that an open and just multilateral trading system must be governed by clear rules and effective mechanisms for resolving differences.

77. The eighth session of UNCTAD scheduled for February 1992 provided an opportunity for updating and strengthening the functions of that forum as the universal United Nations body responsible for the analysis and promotion of development-oriented international economic relations. To that end, the original objective of UNCTAD should be restored and adapted to the dynamic political and economic changes taking place in the world. The result must be a strengthened and flexible UNCTAD capable of responding objectively and imaginatively to the complex and difficult demands placed on it.

78. Mexico was pursuing a process of structural change designed to achieve macroeconomic stability and facilitate its integration into the world trading system. Mexico was carrying out an extensive programme to establish new relations with the most dynamic trading partners and to strengthen trade ties with all regions of the world.

79. Latin America and the Caribbean were participating in the trend towards integration, which was being promoted through trade at the regional and subregional levels. In that context, Mexico was working to establish a free trade area with Central America and was seeking to strengthen economic relations with the rest of Latin America. A tangible result of those efforts was the free trade agreement recently signed by the Presidents of Chile and Mexico. Similar efforts had been undertaken on other regions. In Europe, Mexico already had a framework agreement with the European Community, and it had established new links with Japan and the Pacific basin. A free trade agreement between Canada, the United States of America and Mexico was currently being negotiated.

80. Because of their structural characteristics, the least developed countries were more vulnerable than others to changes in the international financial, trading and technological environment. International financing organizations and institutions and the relevant agencies should therefore increase their efforts to ensure the adequate implementation of the Programme of Action for the Least Developed Countries.

81. Science and technology had a decisive influence on the development of the developing countries, and the improved international environment should facilitate the freer flow of information and the transfer of advanced technology for the benefit of all countries.

82. Mr. TURIANSKIY (Ukraine) said that given the changed political situation there was now a possibility of stabilizing the world economy through collective effort. Perennial problems such as protectionism, foreign debt, and falling commodity prices were increasing hardship in Central and Eastern Europe as those countries made the transition to market relations. There was an ever clearer need for broad dialogue to solve economic problems, particularly those of international trade and development. Multilateral cooperation was essential for that purpose and should primarily come through UNCTAD since it was the most appropriate United Nations body to deal with problems of trade and development.

83. UNCTAD had a key role to play on issues such as international trade, resources for development, and of commodity questions. With the increasing impact of ecological problems on world development it would be logical for UNCTAD to consider the link between the environment and development. His delegation expected that UNCTAD would make a substantial contribution to preparations for the United Nations Conference on Environment and Development. UNCTAD should also become involved in converting military production to civilian purposes, within the limits of its own mandate.

84. Since the Uruguay Round was so fundamentally important to the world trading system, UNCTAD should devote increased attention to the potential consequences on world trade that the GATT talks might bring.

85. His delegation was pleased to note the attention given by UNCTAD to the radical economic reform processes taking place in Eastern Europe. His country was introducing new legislation on property ownership, enterprise and other crucial aspects to facilitate the transition to the market mechanism.

86. The time had come to focus on the issues of organizational changes in international trade and economic cooperation. His delegation welcomed the idea of establishing a world trade organization; that idea could be discussed in greater detail at the eighth session of UNCTAD. Underdevelopment was one of the most fundamental problems facing the world and his delegation therefore accorded immense importance to the implementation of the Programme of Action for the Least Developed Countries for the 1990s. His delegation was greatly alarmed by the continuing deterioration in the situation of the least developed countries and was prepared to assist those countries in many ways.

87. The Intergovernmental Committee on Science and Technology for Development (ISCTD) had a pivotal role to play in an extremely important area of United Nations activities. His delegation welcomed the work done by ISCTD at its eleventh session and fully supported the recommendation concerning the creation of regional and global networks of scientific centres and data banks on environmentally sound technology.

88. In view of the Chernobyl disaster, which had affected the populations of the Ukraine and neighbouring States, his delegation welcomed the growing awareness of the world community of the link between the development of energy

(Mr. Turianskiy, Ukraine)

and the ecological situation in the world, as stressed in the eleventh session of ISCTD. In that connection, it wished to draw attention once more to the international competition to design an ecologically safe system for the Chernobyl nuclear power station, and hoped that ISCTD would make a contribution to the project within the United Nations system.

89. Mr. ASHE (Antigua and Barbuda), speaking on behalf of the Caribbean Community (CARICOM), said that the member States of CARICOM were keenly aware of the role of technology in modernizing and diversifying their industrial and agricultural sectors and raising productivity and, more importantly, of the need to enhance the endogenous capacities and capabilities of small developing countries in science and technology. However, since they were often identified with other developing countries that had advanced further in science and technology, the CARICOM countries had been relegated to the sidelines of the Vienna Programme of Action on Science and Technology for Development.

90. They were attempting to build on a poor resource base when what was needed was a specific programme which would combine an innovative approach including a focus on participatory, people-oriented and sustainable development. Such a programme would ensure that the 12 countries of the regional group realized a stated goal of developing technically literate populations. Science and technology education should be strengthened at the high school level. Regional science and technology councils should be upgraded to the level of permanent secretariats and a regional network of science and technology centres of excellence should be established for the purposes of research, development and scientific exchange through regional and international workshops, courses and conferences, all in keeping with the concept of technical cooperation between developing countries. Science and technology were important tools essential to regional development efforts but the benefits of a programme tailored to the special needs of small developing countries required the full support of the international community.

AGENDA ITEM 84: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)

(b) SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE (continued)

Draft resolution on incorporation of Panama into the Special Plan of Economic Cooperation for Central America (A/C.2/46/L.2/Rev.1)

91. Mr. VILCHEZ ASHER (Nicaragua), introducing the draft resolution on behalf of the sponsors, said that the Special Plan of Economic Cooperation had given vital support to regional development and economic progress in Central America. Incorporating Panama into the Plan would be a way of acknowledging the Government's declared willingness to participate in the regional process of integration. He hoped that the draft resolution would be adopted unanimously.

Draft resolution on special economic assistance to Chad (A/C.2/46/L.35)

92. Mr. NZADA YEKE (Central African Republic), introducing the draft resolution on behalf of the sponsors, said that Chad was in need of international aid for the purposes of reconstruction. He hoped that the draft resolution would be adopted without a vote.

Draft resolution on assistance for the reconstruction and development of Lebanon (A/C.2/46/L.37)

93. Mr. BATAINEH (Jordan), introducing the draft resolution on behalf of the sponsors, expressed the hope that an international fund would be created to assist in the reconstruction and development of Lebanon and that all Member States would participate therein. He also hoped that the draft resolution would be adopted by consensus.

The meeting rose at 7.15 p.m.